

FORM
2A

Rev
08/13

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400891121

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Date Received:

08/31/2015

Oil and Gas Location Assessment

☒ New Location ☐ Refile ☐ Amend Existing Location Location#: _____

Submit signed original form. This Oil and Gas Location Assessment is to be submitted to the COGCC for approval prior to any ground disturbance activity associated with oil and gas operations. Approval of this Oil and Gas Location Assessment will allow for the construction of the below specified Location; however, it does not supersede any land use rules applied by the local land use authority. Please see the COGCC website at <http://cogcc.state.co.us/> for all accompanying information pertinent this Oil and Gas Location Assessment.

Location ID:

443624

Expiration Date:

10/18/2018

☒ This location assessment is included as part of a permit application.

CONSULTATION

- ☐ This location is included in a Comprehensive Drilling Plan. CDP # _____
- ☐ This location is in a sensitive wildlife habitat area.
- ☐ This location is in a wildlife restricted surface occupancy area.
- ☐ This location includes a Rule 306.d.(1)A.ii. variance request.

Operator

Operator Number: 10203

Name: BLACK RAVEN ENERGY INC

Address: 165 S UNION BLVD SUITE 410

City: LAKEWOOD State: CO Zip: 80228

Contact Information

Name: DAVID KUNOVIC

Phone: (303) 308-1330

Fax: (303) 308-1590

email: dkunovic@enerjexresources.com

RECLAMATION FINANCIAL ASSURANCE

☒ Plugging and Abandonment Bond Surety ID: 20060159 ☐ Gas Facility Surety ID: _____

☐ Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: HOMERUN Number: 843-20-44-D

County: PHILLIPS

QuarterQuarter: SESE Section: 20 Township: 8N Range: 43W Meridian: 6 Ground Elevation: 3683

Define a single point as a location reference for the facility location. When the location is to be used as a well site then the point shall be a well location.

Footage at surface: 600 feet FSL from North or South section line

600 feet FEL from East or West section line

Latitude: 40.644890 Longitude: -102.166890

PDOP Reading: 1.8 Date of Measurement: 08/24/2015

Instrument Operator's Name: Ryan Dickinson

RELATED REMOTE LOCATIONS

(Enter as many Related Locations as necessary. Enter the Form 2A document # only if there is no established COGCC Location ID#)

This proposed Oil and Gas Location is:

LOCATION ID # FORM 2A DOC #

FACILITIES

Indicate the number of each type of oil and gas facility planned on location

Wells	<u>1</u>	Oil Tanks*	<u>2</u>	Condensate Tanks*	<u> </u>	Water Tanks*	<u>1</u>	Buried Produced Water Vaults*	<u> </u>
Drilling Pits	<u>1</u>	Production Pits*	<u> </u>	Special Purpose Pits	<u> </u>	Multi-Well Pits*	<u> </u>	Modular Large Volume Tanks	<u> </u>
Pump Jacks	<u>1</u>	Separators*	<u>1</u>	Injection Pumps*	<u> </u>	Cavity Pumps*	<u> </u>	Gas Compressors*	<u> </u>
Gas or Diesel Motors*	<u> </u>	Electric Motors	<u> </u>	Electric Generators*	<u> </u>	Fuel Tanks*	<u> </u>	LACT Unit*	<u> </u>
Dehydrator Units*	<u> </u>	Vapor Recovery Unit*	<u> </u>	VOC Combustor*	<u> </u>	Flare*	<u> </u>	Pigging Station*	<u> </u>

OTHER FACILITIES*

Other Facility Type

Number

Those facilities indicated by an asterisk () shall be used to determine the distance from the Production Facility to the nearest cultural feature on the Cultural Setbacks Tab.

Per Rule 303.b.(3)C, description of all oil, gas, and/or water pipelines:

This wildcat well will evaluate the hydrocarbon potential in Permian and Pennsylvanian aged rocks. There are no wells producing from the Permian or Pennsylvanian rocks in the area (nearest well producing from Paleozoic rocks is approximately 25 miles away). If this well is successful a tank battery will be built approximately 500 ft. south of the drillsite near the County Road 30 in order to provide easy access for crude oil transport. The location drawing (attached) shows the approximate location of the tank battery).

The pipeline from the wellhead to the separator will be 2 7/8" J-55 tubing. The water and oil flow lines to the oil tanks and water tank will be 3" steel line pipe (schedule 40).

CONSTRUCTION

Date planned to commence construction: 10/12/2015 Size of disturbed area during construction in acres: 2.00
Estimated date that interim reclamation will begin: 01/25/2016 Size of location after interim reclamation in acres: 0.75
Estimated post-construction ground elevation: 3683

DRILLING PROGRAM

Will a closed loop system be used for drilling fluids: No

Is H₂S anticipated? No

Will salt sections be encountered during drilling: Yes

Will salt based mud (>15,000 ppm Cl) be used? No

Will oil based drilling fluids be used? No

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: ONSITE

Drilling Fluids Disposal Method: Evaporation

Cutting Disposal: ONSITE

Cuttings Disposal Method: Drilling pit

Other Disposal Description:

Plan to use metal mud tanks. Plan to have a drilling reserve pit. Will back fill mud pit when dry. Waste Management Plan for cuttings - Pit cuttings will be left to evaporation & burial by mixing contents with the original pit stockpile.

Beneficial reuse or land application plan submitted? No

Reuse Facility ID: _____ or Document Number: _____

Centralized E&P Waste Management Facility ID, if applicable: _____

SURFACE & MINERALS & RIGHT TO CONSTRUCT

Name: Karen & V. Dale Stoner

Phone: _____

Address: 333 S. Cambell Ave.

Fax: _____

Address: _____

Email: _____

City: Holyoke State: CO Zip: 80734

Surface Owner: ☒ Fee ☐ State ☐ Federal ☐ Indian

Check all that apply. The Surface Owner: ☒ is the mineral owner

☒ is committed to an oil and Gas Lease

☒ has signed the Oil and Gas Lease

☐ is the applicant

The Mineral Owner beneath this Oil and Gas Location is: ☒ Fee ☐ State ☐ Federal ☐ Indian

The Minerals beneath this Oil and Gas Location will be developed from or produced to this Oil and Gas Location: Yes

The right to construct this Oil and Gas Location is granted by: oil and gas lease

Surface damage assurance if no agreement is in place: _____ Surface Surety ID: _____

Date of Rule 306 surface owner consultation 08/03/2015

CURRENT AND FUTURE LAND USE

Current Land Use (Check all that apply):

Crop Land: ☐ Irrigated ☒ Dry land ☐ Improved Pasture ☐ Hay Meadow ☐ CRP

Non-Crop Land: ☐ Rangeland ☐ Timber ☐ Recreational ☐ Other (describe): _____

Subdivided: ☐ Industrial ☐ Commercial ☐ Residential

Future Land Use (Check all that apply):

Crop Land: ☐ Irrigated ☒ Dry land ☐ Improved Pasture ☐ Hay Meadow ☐ CRP

Non-Crop Land: ☐ Rangeland ☐ Timber ☐ Recreational ☐ Other (describe): _____

Subdivided: ☐ Industrial ☐ Commercial ☐ Residential

CULTURAL DISTANCE INFORMATION

Provide the distance to the nearest cultural feature as measured from Wells or Production Facilities onsite.

	From WELL	From PRODUCTION FACILITY
Building:	3612 Feet	3046 Feet
Building Unit:	3612 Feet	3046 Feet
High Occupancy Building Unit:	5280 Feet	5280 Feet
Designated Outside Activity Area:	5280 Feet	5280 Feet
Public Road:	600 Feet	90 Feet
Above Ground Utility:	576 Feet	676 Feet
Railroad:	5280 Feet	5280 Feet
Property Line:	600 Feet	90 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of nearest Well or edge of nearest Production Facility to nearest of each cultural feature as described in Rule 303.b.(3)A.
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.
- For measurement purposes only, Production Facilities should only include those items with an asterisk(*) on the Facilities Tab.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: ☐ Buffer Zone
☐ Exception Zone
☐ Urban Mitigation Area

- Buffer Zone - as described in Rule 604.a.(2), within 1,000' of a Building Unit.
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: _____

FOR MULTI-WELL PADS AND PRODUCTION FACILITIES WITHIN DESIGNATED SETBACK LOCATIONS ONLY:

- ☐ Check this box if this Oil and Gas Location has or will have Production Facilities that serve multiple wells (onll or offsite) and the Production Facilities are proposed to be located less than 1,000 feet from a Building Unit. *(Pursuant to Rule 604.c.(2)E.i., the operator must evaluate alternative locations for the Production Facilities that are farther from the Building Unit, and determine whether those alternative locations were technically feasible and economically practicable for the same proposed development.)*
- ☐ By checking this box, I certify that no alternative placements for the Production Facilities, farther from the nearest Building Unit, were available based on the analysis conducted pursuant to Rule 604.c.(2)E.i.

In the space below, explain rationale for siting the multi-well Production Facility(ies) that supports your Rule 604.c.(2)E.i determination. Attach documentation that supports your determination to this Form 2A.

SOIL

List all soil map units that occur within the proposed location. attach the National Resource Conservation Service (NRCS) report showing the "Map Unit Description" report listing the soil typical vertical profile. This data is to be used when segregating topsoil.

The required information can be obtained from the NRCS web site at <http://soildatamart.nrcs.usda.org/> or from the COGCC web site GIS Online map page found at <http://colorado.gov/cogcc>. Instructions are provided within the COGCC web site help section.

NRCS Map Unit Name: Ra - Rago & Kuma loam

NRCS Map Unit Name: Rcb - Richfield loam

NRCS Map Unit Name: _____

PLANT COMMUNITY:

Complete this section only if any portion of the disturbed area of the location's current land use is on non-crop land.

Are noxious weeds present: Yes ☐ No ☐

Plant species from: ☐ NRCS or, ☐ field observation Date of observation: _____

List individual species:

Check all plant communities that exist in the disturbed area.

- ☐ Disturbed Grassland (Cactus, Yucca, Cheatgrass, Rye)
- ☐ Native Grassland (Bluestem, Grama, Wheatgrass, Buffalograss, Fescue, Oatgrass, Brome)
- ☐ Shrub Land (Mahogany, Oak, Sage, Serviceberry, Chokecherry)
- ☐ Plains Riparian (Cottonwood, Willow, Aspen, Maple, Poplar, Russian Olive, Tamarisk)
- ☐ Mountain Riparian (Cottonwood, Willow, Blue Spruce)
- ☐ Forest Land (Spruce, Fir, Ponderosa Pine, Lodgepole Pine, Juniper, Pinyon, Aspen)
- ☐ Wetlands Aquatic (Bullrush, Sedge, Cattail, Arrowhead)
- ☐ Alpine (above timberline)
- ☐ Other (describe): _____

WATER RESOURCES

Is this a sensitive area: ☐ No ☒ Yes

Distance to nearest

downgradient surface water feature: 2500 Feet

water well: 3369 Feet

Estimated depth to ground water at Oil and Gas Location 118 Feet

Basis for depth to groundwater and sensitive area determination:

The nearest water well - Receipt # 0056855A, Permit #19189-F (3369 ft.) does not have a static water level recorded. The next nearest water well (Permit # 20327-F) approximately 3700 ft from site has a static water level measurement of 118 ft. There is a dry intermittent stream bed 2500 +/- ft. southwest of the drill site.

Water well sampling required is NA as there are no water wells within 1/2 mile radius. A Sundry Form 4 will be submitted requesting an Exception to Groundwater Baseline Sampling after the Permit is approved.

Is the location in a riparian area: ☒ No ☐ Yes

Was an Army Corps of Engineers Section 404 permit filed ☒ No ☐ Yes If yes attach permit.

Is the location within a Rule 317B Surface Water Supply Area buffer No zone:

If the location is within a Rule 317B Surface Water Supply Area buffer have all public water supply systems within 15 miles been notified: _____

Is the Location within a Floodplain? ☒ No ☐ Yes Floodplain Data Sources Reviewed (check all that apply)

☐ Federal (FEMA)

☐ State

☒ County

☒ Local

☒ Other Confirmed with topographic map analysis and aerial photography.

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 609

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- ☐ Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- ☐ Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- ☐ Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- ☐ Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

RULE 502.b VARIANCE REQUEST

☐ Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number _____

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments This wildcat well will evaluate the hydrocarbon potential in Permian and Pennsylvanian aged rocks. There are no wells producing from the Permian or Pennsylvanian rocks in the area (nearest well producing from Paleozoic rocks is approximately 25 miles away). If this well is successful a tank battery will be built approximately 500 ft. south of the drillsite near Phillips County Road 30 in order to provide easy access for crude oil transport. The location drawing (attached) shows the approximate location of the tank battery.

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.
Signed: _____ Date: 08/31/2015 Email: dkunovic@enerjexresources.com

Print Name: DAVID KUNOVIC Title: VP Exploration

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved:  Director of COGCC Date: 10/19/2015

Conditions Of Approval

All representations, stipulations and conditions of approval stated in this Form 2A for this location shall constitute representations, stipulations and conditions of approval for any and all subsequent operations on the location unless this Form 2A is modified by Sundry Notice, Form 4 or an Amended Form 2A.

COA Type

Description

	Location is in a sensitive area; therefore, either a lined drilling pit or closed loop system is required
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Best Management Practices

No BMP/COA Type

Description

1	Storm Water/Erosion Control	Since this is a wildcat well, a Storm Water Management Plan (SWMP) and a Spill Prevention, Control and Countermeasure Plan are not yet in place. During drill site prep and during drilling operations surface roughening will be used on any lowside of drillsite to reduce speed of runoff, increase infiltration, reduce erosion, trap sediment and prepare soil for reseeding.
2	Interim Reclamation	Drillsite will be reclaimed within 6 months weather permitting. Top soil will be separated and spread on drillsite as a final operation before reseeding operations.

Total: 2 comment(s)

Attachment Check List

Att Doc Num

Name

2477732	CORRESPONDENCE
400891121	FORM 2A SUBMITTED
400892792	WELL LOCATION PLAT
400892793	ACCESS ROAD MAP
400892794	NRCS MAP UNIT DESC
400892795	LOCATION PICTURES
400892797	LOCATION DRAWING
400892799	HYDROLOGY MAP
400892800	ACCESS ROAD MAP

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	10/16/2015 11:01:55 AM
OGLA	IN PROCESS - Operator confirmed ground elevation, revised distance to nearest Building Unit to match nearest Building, revised distance to nearest Public Road and Property Line, and concured with COA concerning a lined drilling pit. No Public Comments. OGLA task passed.	10/16/2015 10:21:14 AM
OGLA	Sent follow-up correspondence requesting a response to the Septemeber 16, 2015 request. Response due by 10/26/15.	10/16/2015 8:53:02 AM
OGLA	ON HOLD - Requested operator confirm ground elevation, revise distance to nearest Building Unit to match nearest Building, revise distance to nearest Public Road and Property Line, and concur with COA concerning a lined drilling pit. Due by 10/16/15.	9/16/2015 2:16:14 PM
Permit	Pass completeness Per operator, checked "is committed to an oil and gas lease" box on surface & minerals tab	9/3/2015 11:29:04 AM

Total: 5 comment(s)