

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:

401434743

Date Received:

10/25/2017

Oil and Gas Location Assessment

☒ New Location ☐ Refile ☐ Amend Existing Location Location#: \_\_\_\_\_

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:

**454899**

Expiration Date:

**05/05/2021**

☒ 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: 10669

Name: NICKEL ROAD OPERATING LLC

Address: 1600 17TH STREET SUITE 2800

City: DENVER State: CO Zip: 80202

Contact Information

Name: ANDREW HANEY

Phone: (720) 315-8487

Fax: ( )

email: andrew.haney@nickelroadoperating.com

RECLAMATION FINANCIAL ASSURANCE

☒ Plugging and Abandonment Bond Surety ID: 20170087 ☐ Gas Facility Surety ID: \_\_\_\_\_

☐ Waste Management Surety ID: \_\_\_\_\_

LOCATION IDENTIFICATION

Name: DRAKE PAD Number: \_\_\_\_\_

County: WELD

QuarterQuarter: NWSE Section: 12 Township: 7N Range: 67W Meridian: 6 Ground Elevation: 5089

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: 2420 feet FSL from North or South section line

1745 feet FEL from East or West section line

Latitude: 40.588176 Longitude: -104.838093

PDOP Reading: 1.3 Date of Measurement: 09/15/2017

Instrument Operator's Name: DAHLMAN

## 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>24</u>	Oil Tanks*	<u>      </u>	Condensate Tanks*	<u>30</u>	Water Tanks*	<u>6</u>	Buried Produced Water Vaults*	<u>      </u>
Drilling Pits	<u>      </u>	Production Pits*	<u>      </u>	Special Purpose Pits	<u>      </u>	Multi-Well Pits*	<u>      </u>	Modular Large Volume Tanks	<u>2</u>
Pump Jacks	<u>      </u>	Separators*	<u>24</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>1</u>
Dehydrator Units*	<u>      </u>	Vapor Recovery Unit*	<u>4</u>	VOC Combustor*	<u>8</u>	Flare*	<u>      </u>	Pigging Station*	<u>      </u>

## OTHER FACILITIES\*

Other Facility Type

Number

Vapor Recovery Tanks (VRTs)

8

\*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:

24 flowlines (3" steel flowline)  
24 oil production lines (3" steel flowline)  
24 water production lines (2" poly flowline)  
24 backpressure lines (2" poly flowline)  
1 gas sales line (6" steel sales line)

## CONSTRUCTION

Date planned to commence construction: 07/01/2018 Size of disturbed area during construction in acres: 14.00

Estimated date that interim reclamation will begin: 07/30/2019 Size of location after interim reclamation in acres: 6.00

Estimated post-construction ground elevation: 5089

## DRILLING PROGRAM

Will a closed loop system be used for drilling fluids: Yes

Is H<sub>2</sub>S anticipated? No

Will salt sections be encountered during drilling: No

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

Will oil based drilling fluids be used? Yes

## DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE

Drilling Fluids Disposal Method: Commercial Disposal

Cutting Disposal: OFFSITE

Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

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: Linda Blehm, Trustee

Phone: 970-381-6832

Address: 10010 Highway 14

Fax: \_\_\_\_\_

Address: \_\_\_\_\_

Email: linda1225@skybeam.com

City: Ault State: CO Zip: 80610

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 10/03/2017

## 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:	1798 Feet	1825 Feet
Building Unit:	2141 Feet	2183 Feet
High Occupancy Building Unit:	5280 Feet	5280 Feet
Designated Outside Activity Area:	5280 Feet	5280 Feet
Public Road:	1454 Feet	1427 Feet
Above Ground Utility:	1424 Feet	1399 Feet
Railroad:	5280 Feet	5280 Feet
Property Line:	152 Feet	50 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.
- Large UMA Facility - 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 (on 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: 47 - Olney fine sandy loam, 1 to 3 percent slopes

NRCS Map Unit Name: 48 - Olney fine sandy loam, 3 to 5 percent slopes

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: 562 Feet

water well: 1830 Feet

Estimated depth to ground water at Oil and Gas Location 79 Feet

Basis for depth to groundwater and sensitive area determination:

Nearest existing water well 1830' east of proposed location (Receipt: 3645507, Permit #: 283241) - depth to groundwater is 140'. Elevation at water well approx. 5150'. Elevation at pad is 5089'. 140' depth to GW- 61' elevation difference = 79' to GW at pad location.

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 \_\_\_\_\_

## GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 318A \_\_\_\_\_

## WILDLIFE

☐

This location is included in a Wildlife Mitigation Plan

☐ This location was subject to a pre-consultation meeting with CPW held on \_\_\_\_\_

## DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 604.a.(1)A. Exception Zone (within 500' of a Building Unit) and is in an Urban Mitigation Area
- ☐ 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 MLVT manufacturer / vendor: Rain for Rent, Inc. or Resource West, Inc.  
MLVT will be in place up to 12 months as discussed with surface owner and in support of multiple completion occupations.  
Small MLVT Size/volume - 157' diameter/42,000 bbl  
Large MLVT Size/volume - 188' diameter/60,000 bbl

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Signed: \_\_\_\_\_ Date: 10/25/2017 Email: JEN@JENLINDLLC.COM

Print Name: JENNIFER LIND Title: REGULATORY SPECIALIST

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: 5/6/2018

## 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

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## Best Management Practices

### No BMP/COA Type

### Description

1	General Housekeeping	- 804. Visual Impacts: All long term facility structures will be painted a color that enables the facilities to blend in with the natural background color of the landscape, as seen from a viewing distance and location typically used by the public - Operator will maintain appearance with garbage clean-up; a trash bin will be located on site to accumulate waste by the personnel drilling the wells. Site will have unused equipment, trash and junk removed immediately.
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2	Storm Water/Erosion Control	<p>- Operator will implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Flowlines will be co-located to the maximum extent practicable and any erosion problems that arise due to the construction of any pipeline(s) will be mitigated. Location will be covered under Nickel Road Operating's field wide permit, currently pending approval through CDPHE.</p> <p>Typical stormwater BMPs installed include a diversion ditch and berm with sediment traps and installation of wattles where necessary.</p>
3	Dust control	<p>- 805.c. Operator shall employ practices for control of fugitive dust caused by their operations. Such practices shall include but are not limited to the use of speed restrictions, regular road maintenance, restriction of construction activity during high-wind days, and silica dust controls when handling sand used in hydraulic fracturing operations. Additional management practices such as road surfacing, wind breaks and barriers may be used.</p>
4	Construction	<p>- 803. Permanent lighting will be installed around the facility to allow both the operator and haulers to conduct safe operations at night. All lights will be directed down and inward toward the location or shielded so no light pollution leaves the location.</p>
5	Noise mitigation	<p>-Operator will install sound walls around the perimeter of the pad location during drilling and completion operations.</p>
6	Emissions mitigation	<p>Green Completions -Test separators and associated flow lines, sand traps and emission control systems shall be installed on-site to accommodate green completions techniques. When commercial quantities of salable quality gas are achieved at each well, the gas shall be immediately directed to a sales line or shut in and conserved. If a sales line is unavailable or other conditions prevent placing the gas into a sales line, the operator shall not produce the wells without an approved variance per Rule 805.b. (3)C.</p>
7	Odor mitigation	<p>- 805. Oil &amp; gas facilities and equipment shall be operated in such a manner that odors and dust do not constitute a nuisance or hazard to public welfare. Operator is in the process of implementing a new base fluid for Oil Base Mud systems. The aromatics and BTEX concentrations are much less than that of generic diesel. With these two things being the major contributors to the odor from diesel, this should lead to less odor at the drill site caused by OBM.</p>

8	Drilling/Completion Operations	<ul style="list-style-type: none"> <li>- Operator will have MLVT Design Package, certified and sealed by a licensed professional engineer, complete prior to pad construction. The design package will be made available upon request. The site shall be prepared in accordance with the specifications of the design package prior to tank installation; including ensuring that proper compaction requirements have been met.</li> <li>- The MLVT will be located a minimum of 75 feet from a wellhead, fired vessel, heater-treater, or a compressor with a rating of 200 horsepower or more. It will be located at a minimum of 50 feet from a separator, well test unit, or other non-fired equipment.</li> <li>- All liner seams will be welded and tested in accordance with applicable ASTM International standards.</li> <li>- Operator will be present during initial filling of the MLVT and the contractor will supervise and inspect the MLVT for leaks during filling.</li> <li>- Operator will comply with the testing and re-inspection requirements and associated written standard operating procedures (SOP) listed on the design package.</li> <li>- Signs will be posted on the MLVT indicating that the contents are freshwater.</li> <li>- The MLVT will be operated with a minimum of 1 foot of freeboard at all times.</li> <li>- Access to the MLVT will be limited to operational personnel and authorized regulatory agency personnel.</li> <li>- Operator or contractor will conduct daily visual inspections of the exterior wall and surrounding area for integrity deficiencies.</li> <li>- Operator has developed a contingency plan/emergency response plan associated with the MLVT and it is on file at their office.</li> <li>- A fabric reinforced liner will be utilized. In the event that a tank breach were to occur, the fabric reinforced liner will prevent a "zippering" failure from occurring. The liner will meet the specifications per the design package.</li> <li>- Operator acknowledges and will comply with the Colorado Oil &amp; Gas Conservation Commission Policy on the Use of Modular Large Volume Tanks in Colorado dated June 13, 2014.</li> </ul>
9	Interim Reclamation	<ul style="list-style-type: none"> <li>- Operator shall be responsible for segregating the topsoil, backfilling, re-compacting, reseeding, and re-contouring the surface of any disturbed area so as not to interfere with Owner's operations and shall reclaim such area to be returned to pre-existing conditions as best as possible with control of all noxious weeds.</li> </ul>

Total: 9 comment(s)

### **Attachment Check List**

<b><u>Att Doc Num</u></b>	<b><u>Name</u></b>
2478454	CORRESPONDENCE
401434743	FORM 2A SUBMITTED
401435645	LOCATION DRAWING
401435646	LOCATION PICTURES
401435661	NRCS MAP UNIT DESC
401435665	MULTI-WELL PLAN
401438556	ACCESS ROAD MAP
401438948	SURFACE AGRMT/SURETY
401439380	HYDROLOGY MAP
401439982	WASTE MANAGEMENT PLAN

Total Attach: 10 Files



## General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Updated construction date as provided by Operator. Final review complete.	05/04/2018
OGLA	Operator provided a Green Completions / Emissions mitigation BMP.	05/02/2018
OGLA	Address Green Completions / gas sales line concern.	04/18/2018
Permit	Status Active - changed right to construct from SUA to lease per Operator. Permitting review complete.	04/06/2018
Permit	Status Pending - Confirm right to construct; since surface owner is mineral owner and has signed the lease, and the lease description matches the surface as described in the attached SUA, the right to construct should be "lease", not SUA.	03/15/2018
OGLA	IN PROCESS - Operator confirmed the count of production facilities, requested removing the Facility Layout Drawing as it's not required for this Form 2A, & provide additional information about the planned use of MLVTs. OGLA review complete and task passed.	11/28/2017
LGD	This proposed oil and gas facility is located in the Agricultural Zoned District of unincorporated Weld County. A Weld Oil and Gas Location Assessment (WOGLA) is required prior to constructing any improvements related to oil and gas exploration and production and prior to the issuance of any building permits. A building permit is required for the production facilities (tank battery, separators, pump jacks, compressors, generators, etc.) from the Department of Planning Services. Access points from County roads require an Access Permit from the Department of Public Works, which includes any necessary traffic control plans and Improvement Agreements. The use of County right-of-way requires a permit from the Department of Public Works. Troy Swain, Weld Oil/Gas Liaison and LGD (970) 400-3579.	11/20/2017
OGLA	ON HOLD - Requested operator confirm the count of production facilities, revise the Facility Layout Drawing, & provide additional information about the planned use of MLVTs. Due by 12/20/17.	11/20/2017
Permit	Passed Completeness.	11/02/2017

Total: 9 comment(s)