

**FORM
2A**Rev
08/19**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:

401871352

Date Received:

02/18/2019

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:

467527

Expiration Date:

09/13/2022☒ 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: 55098

Name: MCCOY PETROLEUM CORPORATION

Address: 9342 EAST CENTRAL

City: WICHITA State: KS Zip: 67206-2573

Contact Information

Name: Brent Reinhardt

Phone: (316) 636-2737

Fax: (316) 636-2741

email: Brent@mccoypetroleum.com

FINANCIAL ASSURANCE

- ☒ Plugging and Abandonment Bond Surety ID (Rule 706): 20190004 ☐ Gas Facility Surety ID (Rule 711): _____
- ☐ Waste Management Surety ID (Rule 704): _____

LOCATION IDENTIFICATION

Name: MARLIN A Number: 1-4

County: KIOWA

QuarterQuarter: SESW Section: 4 Township: 18S Range: 47W Meridian: 6 Ground Elevation: 4149

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: 660 feet FSL from North or South section line

1980 feet FWL from East or West section line

Latitude: 38.514620 Longitude: -102.687420

PDOP Reading: 1.6 Date of Measurement: 12/20/2018

Instrument Operator's Name: Elijah Frane

LOCAL GOVERNMENT INFORMATION

County: KIOWA Municipality: N/A

Per § 34-60-106 (1)(f)(I)(A), the following questions pertain to the "local government with jurisdiction to approve the siting of the proposed oil and gas location."

The local government with jurisdiction is: County

Does the local government with jurisdiction regulate the siting of Oil and Gas Locations, with respect to this COGCC application? If the local government has waived its right to precede the COGCC in siting determination, indicate by selecting "NO" here and selecting "Waived" below.

☐ Yes ☒ No

If yes, in checking this box, I hereby certify that an application has been filed with the local government with jurisdiction to approve the siting of the proposed oil and gas location. ☐

The local government siting permit type is: _____

The local government siting permit was filed on: _____

The disposition of the application filed with the local government is: _____

Additional explanation of local process:

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 #
Well Site is served by Production Facilities	_____	401922044

FACILITIES

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

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

OTHER FACILITIES*

Other Facility Type	Number
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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:

Flowline: Steel Tubing, OD 2.375, 100#PSI Operating Pressure, Length: 3300'.

CONSTRUCTION

Date planned to commence construction: <u>04/15/2019</u>	Size of disturbed area during construction in acres: <u>5.74</u>
Estimated date that interim reclamation will begin: <u>08/01/2019</u>	Size of location after interim reclamation in acres: <u>1.00</u>
Estimated post-construction ground elevation: <u>4149</u>	

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:

All dry/uncontaminated material will be buried onsite.

Beneficial reuse or land application plan submitted?

Reuse Facility ID: or Document Number:

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

SURFACE & MINERALS & RIGHT TO CONSTRUCT

Name: James L. Haase

Phone: 719-691-5016

Address: 17100 County Road #44.6

Fax:

Address:

Email: jayhaase1@icloud.com

City: Eads State: CO Zip: 81036

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: Surface Use Agreement

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

Date of Rule 306 surface owner consultation 12/18/2018

If this Form 2A is associated with Drilling and Spacing Unit applications, list docket number(s):

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:	1795 Feet	Feet
Building Unit:	1914 Feet	Feet
High Occupancy Building Unit:	5280 Feet	Feet
Designated Outside Activity Area:	5280 Feet	Feet
Public Road:	2087 Feet	Feet
Above Ground Utility:	1980 Feet	Feet
Railroad:	5280 Feet	Feet
Property Line:	660 Feet	Feet
School Facility::	5280 Feet	Feet
School Property Line:	5280 Feet	Feet
Child Care Center:	5280 Feet	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, Designated Outside Activity Area, School Facility, and Child Care Center – as defined in 100 Series Rules.
- For measurement purposes only, Production Facilities should only include those items with an asterisk(*) on the Facilities Tab.

SCHOOL SETBACK INFORMATION

Was Notice required under Rule 305.a.(4)? ☐ Yes ☒ No

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: Valent loamy sand, 1-15% slopes, warm

NRCS Map Unit Name: _____

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: Sand bluestem, prairie sandreed, switchgrass, sideoats grama, little bluestem, sand dropseed, and blue grama.

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: 5280 Feet

water well: 1784 Feet

Estimated depth to ground water at Oil and Gas Location 43 Feet

Basis for depth to groundwater and sensitive area determination:

The nearest water well established by the Colorado Division of Water Resources as found on the COGCC website with associated depth to groundwater information is: Water Well Permit #159487. Static Water Level = 43'. Well Depth = 55'.

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 609

WILDLIFE

☐ This location is included in a Wildlife Mitigation Plan

☒ This location was subject to a pre-consultation meeting with CPW held on 03/20/2019

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

Storm Water Management Plan (SWMP) will be in place to address construction, drilling and operations associated with oil and gas development through the state of Colorado in accordance with Colorado Department of Health & Environment (CDPHE) general permit rules.

Location access is coming from the SE corner of the section instead of the SW corner due to the surface owner's home (building unit) being located there. This was also a term of the SUA.

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

Signed: _____ Date: 02/18/2019 Email: scott@mccoypetroleum.com

Print Name: Scott Hampel Title: VP-Production

Based on the information provided herein, this Oil and Gas Location Assessment complies with COGCC Rules, applicable orders, and SB 19-181 and is hereby approved.

COGCC Approved:  Director of COGCC Date: 9/14/2019

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**

Wildlife	In the event the well becomes a producing well, electric lines shall be trenched to the well location further reducing noise at the well site and eliminate additional perch structures, both of which are recommended in LPC habitat and supported by CPW.
CPW-Wildlife - Avoidance-LESSER PRAIRIE CHICKEN	The State of Colorado is a partner in the WAFWA Lesser Prairie Chicken Rangewide Conservation Plan. The operator agrees to adhere to the best management practices and mitigation approach outlined in that Plan
CPW-Wildlife - Minimization-LESSER PRAIRIE CHICKEN	With the request for a drilling pit on site and with the proposed schedule for drilling CPW requests that the drilling pit include wildlife exclusion fencing and netting. Given the well location in Sensitive Wildlife Habitat for lesser prairie-chicken and the presence of pronghorn and mule deer there exists the risk of negative impacts to wildlife if the drilling pit is not appropriately netted and fenced. COGCC rule 902.d. Where necessary to protect public health, safety and welfare or to prevent significant adverse environmental impacts resulting from access to a pit by wildlife, migratory birds, domestic animals, or members of the general public, operators shall install appropriate netting or fencing.

Best Management Practices**No BMP/COA Type****Description**

1 Planning	McCoy Petroleum Corporation (MPC) will only use such land as necessary for said drilling, completion and production operations. The access road and site location will be kept to the minimum that is needed for its operation.
2 Material Handling and Spill Prevention	This Location will produce to a remote Location. Operator shall construct all production facilities dedicated to this Location within lined secondary containment.
3 CPW-Wildlife - Minimization-LESSER PRAIRIE CHICKEN	The operator agrees to reclaim production area habitat with a CPW-identified seed mix containing substantially higher percentage of forbs.
4 CPW-Wildlife - Minimization-LESSER PRAIRIE CHICKEN	The operator agrees to preclude the use of aggressive non-native grasses or shrubs in lesser prairie chicken habitat reclamation

Total: 4 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
1010730	NRCS MAP UNIT DESC
1010780	OBJECTIVE CRITERIA REVIEW MEMO
401871352	FORM 2A SUBMITTED
401900189	REFERENCE AREA PICTURES
401900193	LOCATION PICTURES
401900199	LOCATION PICTURES
401900210	HYDROLOGY MAP A, TOPO
401900214	ACCESS ROAD MAP
401900216	REFERENCE AREA MAP
401939066	SURFACE AGRMT/SURETY
401939179	LOCATION DRAWING

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
OGLA	COGCC met with the operator, surface owner, and CPW on 3/20/2019 at the proposed location. Based on the discussions at the onsite meeting, all Conditions of Approval placed on this Form 2A were agreed to by all parties in attendance.	09/14/2019
OGLA-181	The Objective Criteria Review Memo (Doc# 1010780) is attached to this Form 2A. Following additional analysis arising out of the Objective Criteria, the Director determined that this application meets the standard for the protection of public health, safety, welfare, the environment and wildlife resources set by SB 19-181.	09/07/2019
OGLA-181	COGCC staff conducted its technical review of this Form 2A Oil and Gas Location Assessment within the context of SB 19-181 and the required Objective Criteria. This Form 2A met Objective Criteria #6.	09/07/2019
OGLA	<p>Changed the number of Drilling Pits to 2 and removed the Fresh Water pit as this is used for drilling operations.</p> <p>Per Operator request, removed the Fuel Tank from the facilities list. Location no longer houses production facilities requiring cultural distance measurements. Per Operator request, removed the distances from the production facilities.</p> <p>NRCS Map Unit Description Attachment is incorrect. In addition, NRCS Map Overlay on the COGIS Map differs from the Soil Survey Description. Left the operator's reference to 1% to 15% slopes, in place and added "warm" based on the soil description. Removed the Attachment and uploaded the correct NRCS Map Unit Description.</p> <p>Changed the esimated depth to groundwater to 43 feet bgs based on the static water level reported for DWR Water Well Permit #159487. Changed the Basis Statement to reflect DWR Permit #159487. Removed references to DWR Water Well Permit #257688 a static water level was not reported for this water well.</p>	08/24/2019
Permit	COGCC Staff has added the Local Government siting permit information and the School and Childcare Center distances provided by the operator.	08/06/2019
Permit	Permitting Review Complete.	08/01/2019
DOW	<p>Initial conversations between CPW and McCoy Petroleum occurred in early 2019 and CPW provided McCoy with general recommendations and suggested BMPs for development in Sensitive Wildlife Habitat (SWH) for lesser prairie-chickens. Those general recommendations included:</p> <ol style="list-style-type: none"> 1. Avoidance of development and infrastructure in RSO mapped areas 2. Limits on surface disturbance in SWH 3. Closed-loop drilling, no reserve pits 	04/03/2019

	<p>4. seasonal timing limits on drilling, March 15-June 15</p> <p>5. sound limits and placement of compressor locations to limit sound impacts</p> <p>6. structure design and deterrents that limit perch locations for raptors</p> <p>CPW met with the operator, surface owner, and COGCC on 3/20/2019 at the proposed location for the Marlin A 1-4 well and Marlin A production site to discuss options for avoiding, minimizing, and mitigating impacts to lesser prairie-chicken habitat. Both locations are within SWH and mapped focal area for lesser prairie-chicken conservation in Colorado. The submitted 2A for the Marlin site listed two wildlife BMPs, both related to seed mixes to be used during reclamation. CPW recommendations for SWH at this site included the request that no drilling or production pits be used on site. The submitted permit includes a short-term freshwater pit and a reserve pit for drilling cuttings. If the pit for drill cuttings is permitted, CPW is requesting the pit be fenced and netted for the protection of wildlife. CPW normally recommends consolidation of facilities and a surface facility density limit of one facility per section in SWH. In this location the production facility will be placed along the county road, resulting in two separate facilities. Having the production facility along a county road will limit long term impacts from truck traffic and if the well cannot be co-located this is preferred to having production at the current well site. The surface owner and the operator also stated that if the well becomes a producing well, electric lines will be trenched to the well location. This would further limit noise at the well site and eliminate additional perch structures, both of which are recommended in LPC habitat and supported by CPW.</p> <p>CPW is recommending 5 additional BMPs be added to the 2A permit for this site: 1. adherence to the best management practices and mitigation approach outlined in the WAFWA Lesser Prairie Chicken Rangewide Conservation Plan; 2. If oil and gas operations must occur (with documented justification) within 2.2 miles of lesser prairie chicken leks, agreement to conduct oil and gas operations outside the period between March 15 and June 15; 3. The operator agrees to make use of tanks and other facilities designed such that they do not provide perches or nest substrates for raptors, crows and ravens; 4. With the request for a drilling pit on site and with the proposed schedule for drilling CPW requests that the drilling pit include wildlife exclusion fencing and netting. Given the well location in Sensitive Wildlife Habitat for lesser prairie-chicken and the presence of pronghorn and mule deer there exists the risk of negative impacts to wildlife if the drilling pit is not appropriately netted and fenced; 5. The operator agrees to limit noise emissions from new oil and gas operations to 10dBA above pre-development background levels measured at dawn (based on default pre-development background levels of 20-22 dBA) within 2.2 miles of lesser prairie chicken leks.</p>	
Permit	Passed completeness.	02/22/2019
Permit	<p>Returned to draft:</p> <p>The captioned form was submitted on or after the effective date (February 14, 2019) of the school setback rules.</p> <p>The form has been updated to include the school data fields.</p> <p>The new fields must be completed prior to resubmitting.</p> <p>Corrected by operator.</p>	02/22/2019

Total: 9 comment(s)