

**FORM
2A**Rev
04/01State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



DE ET OE ES

Document Number:

2581623

Oil and Gas Location Assessment☒ New Location ☐ Amend Existing Location Location#: _____

Submit original plus one copy. This form is to be submitted to the COGCC prior to any ground disturbance activity associated with oil and gas development operations. This Assessment may be approved as a stand alone application or submitted as an informational report accompanying an Application for Permit-To-Drill, Form 2. Approval of this 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. This form may serve as notice to land owners and other interested parties, please see the COGCC web site at <http://colorado.gov/cogcc/> for all accompanying information pertinent to this Oil and Gas Location Assessment.

Location ID:

418697

Expiration Date:

08/12/2013☐ This location assessment is included as part of a permit application.**1. 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.

2. Operator

Operator Number: 77330

Name: SG INTERESTS I LTD

Address: PO BOX 26

City: MONTROSE State: CO Zip: 81402

3. Contact Information

Name: DIANE MCCALLUM

Phone: (970) 252-0696

Fax: (970) 252-0636

email: DMCCALLUM@SGINTERESTS.COM

4. Location Identification:

Name: VOLK Number: 12-89-21 #1

County: GUNNISON

QuarterQuarter: SENW Section: 21 Township: 12S Range: 89W Meridian: 6 Ground Elevation: 7343

Define a single point as a location reference for the facility location. This point should be used as the point of measurement in the drawings to be submitted with this application. When the location is to be used as a well site then the point shall be a well location.

Footage at surface: 1454 feet, from North or South section line: FNL and 2554 feet, from East or West section line: FWL

Latitude: 39.002890 Longitude: -107.341720 PDOP Reading: 2.0 Date of Measurement: 02/19/2010

Instrument Operator's Name: DAVID NICEWICZ

5. Facilities (Indicate the number of each type of oil and gas facility planned on location):

Special Purpose Pits: <input type="text" value="1"/>	Drilling Pits: <input type="text" value="1"/>	Wells: <input type="text" value="1"/>	Production Pits: <input type="text"/>	Dehydrator Units: <input type="text" value="1"/>
Condensate Tanks: <input type="text" value="1"/>	Water Tanks: <input type="text" value="3"/>	Separators: <input type="text" value="1"/>	Electric Motors: <input type="text"/>	Multi-Well Pits: <input type="text"/>
Gas or Diesel Motors: <input type="text" value="3"/>	Cavity Pumps: <input type="text"/>	LACT Unit: <input type="text"/>	Pump Jacks: <input type="text" value="1"/>	Pigging Station: <input type="text" value="1"/>
Electric Generators: <input type="text"/>	Gas Pipeline: <input type="text" value="1"/>	Oil Pipeline: <input type="text"/>	Water Pipeline: <input type="text" value="1"/>	Flare: <input type="text" value="1"/>
Gas Compressors: <input type="text" value="1"/>	VOC Combustor: <input type="text"/>	Oil Tanks: <input type="text" value="1"/>	Fuel Tanks: <input type="text"/>	

Other: _____

6. Construction:

Date planned to commence construction: 06/01/2010 Size of disturbed area during construction in acres: 2.10
Estimated date that interim reclamation will begin: 11/30/2010 Size of location after interim reclamation in acres: 1.50
Estimated post-construction ground elevation: 7343 Will a closed loop system be used for drilling fluids: Yes ☐
Will salt sections be encountered during drilling: Yes ☐ No ☒ Is H2S anticipated? Yes ☐ No ☒
Will salt (>15,000 ppm TDS Cl) or oil based muds be used: Yes ☐ No ☒
Mud disposal: Offsite ☐ Onsite ☒ Method: Land Farming ☒ Land Spreading ☐ Disposal Facility ☐
Other: _____

7. Surface Owner:

Name: _____ Phone: _____
Address: _____ Fax: _____
Address: _____ Email: _____
City: _____ State: _____ Zip: _____ Date of Rule 306 surface owner consultation: 02/02/2010
Surface Owner: ☒ Fee ☐ State ☐ Federal ☐ Indian
Mineral Owner: ☒ Fee ☐ State ☐ Federal ☐ Indian
The surface owner is: ☒ the mineral owner ☐ committed to an oil and gas lease
☐ is the executer of the oil and gas lease ☐ the applicant
The right to construct the location is granted by: ☒ oil and gas lease ☐ Surface Use Agreement ☐ Right of Way
☐ applicant is owner
Surface damage assurance if no agreement is in place: ☐ \$2000 ☐ \$5000 ☐ Blanket Surety ID _____

8. Reclamation Financial Assurance:

☒ Well Surety ID: 20030098 ☐ Gas Facility Surety ID: _____ ☐ Waste Mgnt. Surety ID: _____

9. Cultural:

Is the location in a high density area (Rule 603.b.): Yes ☐ No ☒
Distance, in feet, to nearest building: 600, public road: 3350, above ground utilit: 600
, railroad: 38702, property line: 1454

10. 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

11. 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

12. Soils:

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.gov/> 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: CURECANTI LOAM, 3 TO 15 PERCENT SLOPE. SEE ATTACHED NRCS SOILS REPORT..

NRCS Map Unit Name: _____

NRCS Map Unit Name: _____

13. 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: TIMOTHY, SMOOTH BROME, ORCHARD GRASS, BEAKED SEDGE

Check all plant communities that exist in the disturbed area.

- ☐ Disturbed Grassland (Cactus, Yucca, Cheatgrass, Rye)
- ☐ Native Grassland (Bluestern, 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): PASTURE LAND

14. Water Resources:

Rule 901.e. may require a sensitive area determination be performed. If this determination is performed the data is to be submitted with the Form 2A.

Is this a sensitive area: ☒ No ☐ Yes Was a Rule 901.e. Sensitive Areas Determination performed: ☐ No ☒ Yes

Distance (in feet) to nearest surface water: 330, water well: 3791, depth to ground water: 30

Is the location in a riparian area: ☒ No ☐ Yes Was an Army Corps of Engineers Section 404 permit filed ☒ No ☐ Yes

Is the location within a Rule 317B Surface Water Supply Area buffer zone:

☒ No ☐ 0-300 ft. zone ☐ 301-500 ft. zone ☐ 501-2640 ft. 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: ☐ No ☐ Yes

15. Comments:

REFERENCE AREA WILL BE ADJACENT TO AND WEST OF THE PROPOSED LOCATION. PHOTOGRAPH OF THE REFERENCE AREA IS ATTACHED

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

Signed: _____ Date: 04/05/2010 Email: DMCCALLUM@SGINTERESTS.COM

Print Name: DIANE MCCALLUM Title: ENGINEER

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

David S. Neslin

COGCC Approved: _____ Director of COGCC Date: 8/13/2010

CONDITIONS OF APPROVAL, IF ANY:

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.

Operator must implement best management practices to contain any unintentional release of fluids.

Initiated/Completed OGLA Form 2A review on 04-20-10 by Dave Kubeczko; requested clarifications and acknowledgement of close SW fluid containment, spill/release BMPs COAs from operator on 04-20-10; received clarifications and acknowledgement of COAs from operator on 04-21-10; added one special purpose pit (flare) to facilities; no CDOW; passed OGLA Form 2A review on 05-04-10 by Dave Kubeczko; lined pits, fluid containment, spill/release BMPs COAs.

Location is in a sensitive area because of proximity to surface water; therefore, operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations.

Location may be in a sensitive area due to shallow groundwater; therefore, if groundwater is encountered during pit construction, the pit must be lined or a closed loop system must be implemented.

Attachment Check List

Att Doc Num	Name	Doc Description
1791697	CONST. LAYOUT DRAWINGS	LF@2514505 1791697
2033095	CORRESPONDENCE	LF@2462195 2033095
2581623	FORM 2A	LF@2446011 2581623
2581624	LOCATION PICTURES	LF@2446059 2581624
2581625	LOCATION PICTURES	LF@2446060 2581625
2581626	HYDROLOGY MAP	LF@2446061 2581626
2581627	ACCESS ROAD MAP	LF@2446062 2581627
2581628	NRCS MAP UNIT DESC	LF@2446013 2581628
2581629	LOCATION DRAWING	LF@2446083 2581629
2581631	SENSITIVE AREA DATA	LF@2446058 2581631

Total Attach: 10 Files

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