

FORM
2A

Rev
04/01

State of Colorado
Oil and Gas Conservation Commission

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



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Document Number:

2583339

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:

419166

Expiration Date:

09/01/2013

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: 10082
 Name: MANZANO LLC
 Address: P O BOX 2107
 City: ROSWELL State: NM Zip: 88202

3. Contact Information

Name: MIKE HANAGAN
 Phone: (575) 623-1996
 Fax: (575) 625-2620
 email: MHANAGAN@QWESTOFFICE.N ET

4. Location Identification:

Name: MAGNINO 2 FEE Number: 1
 County: HUERFANO
 Quarter: LOT 2 Section: 2 Township: 30S Range: 69W Meridian: 6 Ground Elevation: 7683

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: 330 feet, from North or South section line: FNL and 2311 feet, from East or West section line: FEL
 Latitude: 37.473695 Longitude: -105.079081 PDOP Reading: 6.0 Date of Measurement: 07/07/2010
 Instrument Operator's Name: GARY TERRY

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

Special Purpose Pits: Drilling Pits: Wells: Production Pits: Dehydrator Units:
 Condensate Tanks: Water Tanks: Separators: Electric Motors: Multi-Well Pits:
 Gas or Diesel Motors: Cavity Pumps: LACT Unit: Pump Jacks: Pigging Station:
 Electric Generators: Gas Pipeline: Oil Pipeline: Water Pipeline: Flare:
 Gas Compressors: VOC Combustor: Oil Tanks: Fuel Tanks:
 Other: _____

6. Construction:

Date planned to commence construction: 09/01/2010 Size of disturbed area during construction in acres: 1.00
Estimated date that interim reclamation will begin: 03/01/2011 Size of location after interim reclamation in acres: 1.00
Estimated post-construction ground elevation: 7683 Will a closed loop system be used for drilling fluids: Yes [X]
Will salt sections be encountered during drilling: Yes [] No [X] Is H2S anticipated? Yes [] No []
Will salt (>15,000 ppm TDS Cl) or oil based muds be used: Yes [X] No []
Mud disposal: Offsite [X] Onsite [] Method: Land Farming [] Land Spreading [] Disposal Facility [X]
Other: _____

7. Surface Owner:

Name: _____ Phone: _____
Address: _____ Fax: _____
Address: _____ Email: _____
City: _____ State: _____ Zip: _____ Date of Rule 306 surface owner consultation: 06/19/2010
Surface Owner: [X] Fee [] State [] Federal [] Indian
Mineral Owner: [X] Fee [] State [] Federal [] Indian
The surface owner is: [X] the mineral owner [] committed to an oil and gas lease
[X] is the executer of the oil and gas lease [] the applicant
The right to construct the location is granted by: [X] 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:

[X] Well Surety ID: 20050042 [] Gas Facility Surety ID: _____ [] Waste Mgnt. Surety ID: _____

9. Cultural:

Is the location in a high density area (Rule 603.b.): Yes [] No [X]
Distance, in feet, to nearest building: 930 , public road: 700 , above ground utilit: 240
, railroad: 5280 , property line: 330

10. Current Land Use (Check all that apply):

Crop Land: [] Irrigated [] Dry land [] Improved Pasture [] Hay Meadow [] CRP
Non-Crop Land: [X] 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: [X] 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 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: MOROP LOAM

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: 06/19/2010

List individual species: PREDOMINANTLY SCRUB OAK & BUFFALO GRASS WITH A FEW SMALL PINE TREES.

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): _____

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: 440, water well: 1750, depth to ground water: 12

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 Suppl 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:

THE HYDROGEOLOGY MAP, THE ACCESS ROAD MAP AND THE REFERENCE AREA MAP ARE ALL THE SAME ATTACHMENT. Reference area is located on undisturbed land immediately adjacent to, and south of, the location. The "reference point picture" labeled "looking south" is a picture of the reference area. Railroad greater than 5280 feet away

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

Signed: _____ Date: 07/21/2010 Email: MHANAGAN@QWESTOFFICE.NET

Print Name: MIKE HANAGAN Title: MANAGER

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: 9/2/2010

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 will not rig up for the initial drilling of the well prior to the power line relocation and further the power line shall be located no less than 1 1/2 times the height of the derrick from the proposed well.

Operator must implement best management practices including, but not limited to, construction of a berm or diversion dike, site grading, or other comparable measures sufficiently protective of the intermittent stream named Indian Creek located 440' to the southeast and the riparian area to the southeast as delineated on the hydrology map to prevent impact by any unintentional release of drilling, completion, or produced fluids

Location is in a sensitive area because of shallow groundwater; therefore, either a lined drilling pit or closed loop system is required

Surface disturbance shall not encroach on the intermittent stream named Indian Creek located 440' to the southeast and the riparian area to the southeast as delineated on the hydrology map

Attachment Check List

Att Doc Num	Name	Doc Description
1693531	CORRESPONDENCE	LF@2532024 1693531
2583339	FORM 2A	LF@2512671 2583339
2583340	LOCATION PICTURES	LF@2512672 2583340
2583341	LOCATION DRAWING	LF@2512673 2583341
2583342	ACCESS ROAD MAP	LF@2512674 2583342
2583343	REFERENCE AREA PICTURES	LF@2512675 2583343
2583344	OTHER	LF@2512676 2583344
2583475	HYDROLOGY MAP	LF@2515627 2583475
2583478	NRCS MAP UNIT DESC	LF@2515690 2583478
2613243	CORRESPONDENCE	LF@2526445 2613243

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	PERMITTING PASSED	9/2/2010 1:49:43 PM
Permit	Change QTR QTR from NWNE to Lot 2 and add well name to Forms Related	9/2/2010 11:34:23 AM
Permit	Received email dated 8/13/10 from Mike Hanagan, Manzano LLC. Stating "actual footage to the power line after it has been relocated will be 240' from the wellhead. San Isabel Electric Association will have the power line moved by August 27, 2010."	8/30/2010 11:57:33 AM
OGLA	change date interim reclamation, distance RR, depth water, distance to water, check sensitive area = yes, add 3 COA's, attach correspondence, OGLA review complete.	8/19/2010 8:01:36 AM
OGLA	request reference area map, details on access road map as it crosses Indian Creek, re-confirmation of 6 month interim reclamation date, distance railroad in feet, power line issue to Penny, distance to nearest water/hydrology map data to be same number, depth to water change to 12 feet, sensitive area to be yes, propose 3 COA's: Location is in a sensitive area because of shallow groundwater; therefore, either a lined drilling pit or closed loop system is required. Operator must implement best management practices including, but not limited to, construction of a berm or diversion dike, site grading, or other comparable measures sufficiently protective of the intermittent stream named Indian Creek located 400 (or 440 feet when this gets sorted out) to the southeast and the riparian area to the southeast as delineated on the hydrology map to prevent impact by any unintentional release of drilling, completion, or produced fluids. Surface disturbance shall not encroach on the intermittent stream named Indian Creek located 400 (or 440 feet when this gets sorted out) to the southeast and the riparian area to the southeast as delineated on the hydrology map	8/19/2010 7:58:39 AM
Permit	Map uploaded and attached Opr (Mike) sent Hydrology map. Still need NRCS	8/12/2010 3:38:42 PM
Permit	Operator will provide email stating over head power line is being moved outside of pad and footage from wellhead to power line.	8/12/2010 3:35:00 PM
Permit	contacted opr (Mike) on 7/26 for missing NRCS doc and Hydrology Map. He is in the field until today, Friday. I haven't heard back. Sent second e-mail.	8/2/2010 8:13:22 AM

Total: 8 comment(s)

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