

**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:

400083537

Oil and Gas Location Assessment☐ New Location ☒ Amend Existing Location Location#: 335038

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:

335038

Expiration Date:

09/20/2013☒ 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: 10232

Name: LARAMIE ENERGY II, LLC

Address: 1512 LARIMER ST STE 1000

City: DENVER State: CO Zip: 80202

3. Contact Information

Name: Wayne P. Bankert

Phone: (970) 683-5419

Fax: (303) 339-4399

email: wbankert@laramie-energy.com

4. Location Identification:

Name: Honea Number: 19-05 Pad

County: GARFIELD

Quarter: LOT 2 Section: 19 Township: 7S Range: 93W Meridian: 6 Ground Elevation: 8563

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: 2187 feet, from North or South section line: FNL and 904 feet, from East or West section line: FWL

Latitude: 39.426291 Longitude: -107.822775 PDOP Reading: 2.6 Date of Measurement: 07/19/2010

Instrument Operator's Name: Joim Grabowski

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

| | | | | |
|---|---|--|--|--|
| Special Purpose Pits: <input type="text"/> | Drilling Pits: <input type="text"/> | Wells: <input type="text" value="16"/> | Production Pits: <input type="text"/> | Dehydrator Units: <input type="text"/> |
| Condensate Tanks: <input type="text" value="10"/> | Water Tanks: <input type="text"/> | Separators: <input type="text" value="5"/> | Electric Motors: <input type="text"/> | Multi-Well Pits: <input type="text"/> |
| Gas or Diesel Motors: <input type="text"/> | Cavity Pumps: <input type="text"/> | LACT Unit: <input type="text"/> | Pump Jacks: <input type="text"/> | Pigging Station: <input type="text"/> |
| 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"/> |
| Gas Compressors: <input type="text"/> | VOC Combustor: <input type="text" value="1"/> | Oil Tanks: <input type="text"/> | Fuel Tanks: <input type="text"/> | |

Other: 3- 4pack & 2 - 2 pack Separators. Condensate and Water in common tanks

6. Construction:

Date planned to commence construction: 10/01/2010 Size of disturbed area during construction in acres: 5.90
Estimated date that interim reclamation will begin: 10/01/2013 Size of location after interim reclamation in acres: 2.00
Estimated post-construction ground elevation: 8563 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: 07/24/2008
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: 20070074 ☐ 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: 2326, public road: 1824, above ground utilit: 12672
, railroad: 32419, property line: 246

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: Not Mapped

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: 06/22/2010

List individual species: Field Observation by BLM botanist.

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): Transition zone from Shrub land to Forest.

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: 1250, water well: 6500, depth to ground water: 15

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:

Depth to Ground water is an estimate. No water was detected during drilling of the present wells nor during construction of the Cuttings Trench. SOP for LE II is to run 40' of conductor and set Surface casing to 12-1500' with cement to surface. The location is inside the City of Rifle's Beaver Creek Municipal Watershed. Laramie II applied for and received a Watershed Permit (No. 04-08) in April, 2009. As part of the COA's Laramie participates in a qtrly sampling and analysis plan for Beaver Creek. Also, Laramie II funded a 24/7 water monitoring facility at the Beaver Creek Inlet for Rifles Municipal Water. The system continuously samples water and can detect all constituents that might reach Beaver Creek in the event of an incident and has automated valves that can close when certain thresholds are met. The Water Shed Permit is Available upon request. Since the City of Rifle is the sole municipality for the Beaver Creek Watershed, no other notifications seem to be required.

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

Signed: _____ Date: 08/11/2010 Email: wbankert@laramie-energy.com

Print Name: Wayne P. Bankert Title: Snr. Reg. & Env. Coord.

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: David S. Neslin Director of COGCC Date: 9/21/2010

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.

Any pit constructed to hold fluids must be lined.

Location is in a sensitive area because of shallow groundwater; therefore either a lined drilling pit or closed loop system (which Laramie has indicated on the Form 2A) must be implemented.

Operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures sufficiently protective of nearby surface water. If fluids are conveyed via pipeline, operator must implement best management practices to contain any unintentional release of fluids.

The moisture content of any drill cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, the drill cuttings must also meet the applicable standards of table 910-1.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|-------------------------|----------------------|
| 2033336 | CORRESPONDENCE | LF@2535117 2033336 |
| 400083537 | FORM 2A SUBMITTED | LF@2522482 400083537 |
| 400083794 | REFERENCE AREA PICTURES | LF@2522483 400083794 |
| 400083909 | LOCATION PICTURES | LF@2522484 400083909 |
| 400083910 | ACCESS ROAD MAP | LF@2522485 400083910 |
| 400083911 | HYDROLOGY MAP | LF@2522486 400083911 |
| 400083912 | LOCATION DRAWING | LF@2522487 400083912 |
| 400083913 | MULTI-WELL PLAN | LF@2522488 400083913 |
| 400083914 | REFERENCE AREA MAP | LF@2522489 400083914 |
| 400083915 | PROPOSED BMPs | LF@2522490 400083915 |
| 400083916 | CONST. LAYOUT DRAWINGS | LF@2522491 400083916 |
| 400083917 | SURFACE AGRMT/SURETY | LF@2522492 400083917 |
| 400083920 | PROPOSED BMPs | LF@2522493 400083920 |

Total Attach: 13 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|--|----------------------------|
| OGLA | Initiated/Completed OGLA Form 2A review on 08-19-10 by Dave Kubeczko; requested clarifications and acknowledgement of fluid containment, spill/release BMPs, lined pits/closed loop, cuttings low moisture, 317B COAs from operator on 08-19-10; received clarifications and acknowledgement of COAs from operator on 08-19-10; no CDOW; passed OGLA Form 2A review on 09-02-10 by Dave Kubeczko; fluid containment, spill/release BMPs, lined pits/closed loop, cuttings low moisture, 317B COAs. | 8/19/2010 2:40:18 PM |

Total: 1 comment(s)

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