

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



Table with columns: DE, ET, OE, ES

Document Number: 400104401

Oil and Gas Location Assessment

[X] 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...

Location ID: 423325 Expiration Date: 05/22/2014

[] 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: 57667 Name: MINERAL RESOURCES, INC. Address: PO BOX 328 City: GREELEY State: CO Zip: 80632

3. Contact Information

Name: Collin Richardson Phone: (970) 352-9446 Fax: (800) 850-9334 email: collin@mineralresourcesinc.com

4. Location Identification:

Name: Bestway Directional Project Number: 1 County: WELD Quarter: SENE Section: 2 Township: 5N Range: 66W Meridian: 6 Ground Elevation: 4702 Define a single point as a location reference for the facility location... Footage at surface: 286 feet FSL, from North or South section line, and 1019 feet FEL, from East or West section line. Latitude: 40.431150 Longitude: -104.739369 PDOP Reading: 1.9 Date of Measurement: 08/31/2010 Instrument Operator's Name: David Berglund

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

Special Purpose Pits: [] Drilling Pits: [] Wells: 40 Production Pits: [] Dehydrator Units: [] Condensate Tanks: [] Water Tanks: 5 Separators: 10 Electric Motors: [] Multi-Well Pits: [] Gas or Diesel Motors: 1 Cavity Pumps: [] LACT Unit: [] Pump Jacks: [] Pigging Station: [] Electric Generators: [] Gas Pipeline: [] Oil Pipeline: [] Water Pipeline: [] Flare: [] Gas Compressors: 1 VOC Combustor: 1 Oil Tanks: 10 Fuel Tanks: []

Other: Gas motor and compressor are part of VRU

6. Construction:

Date planned to commence construction: 03/30/2011 Size of disturbed area during construction in acres: 8.00
Estimated date that interim reclamation will begin: 07/30/2011 Size of location after interim reclamation in acres: 3.00
Estimated post-construction ground elevation: 4702 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: _____
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: 20090133 Gas Facility Surety ID: _____ Waste Mgmt. Surety ID: _____

9. Cultural:

Is the location in a high density area (Rule 603.b.): Yes No
Distance, in feet, to nearest building: 400, public road: 305, above ground utilit: 325
, railroad: 4500, property line: 69

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 used when segregating topsoil.

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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: Otero Sandy Loam, 1 to 3 percent slopes

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: _____

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): _____

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: 1600, water well: 590, depth to ground water: 10

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:

1. The Bestway Directional Location Reference Point was set in the field as a permanent reference point outside of the limits of construction of the well pad. The intention being that the reference point will not be destroyed during drilling/construction and can be used through the life of this project. 2. All distances and bearings provided on the location drawing, in Section 9: Cultural, and in Section 14: Water Resources are from the Well Reference Point. 4. The depth to ground water is based on a near by water well, receipt #9059495, Permit #: 6065-R - .

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

Signed: _____ Date: 02/15/2011 Email: dan.hull@lra-inc.com

Print Name: Dan Hull Title: Senior Project Manager

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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. Nesline

Director of COGCC

Date: 5/23/2011

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.

Attachment Check List

| Att Doc Num | Name |
|-------------|-------------------------|
| 1694095 | PROPOSED BMPs |
| 1694096 | VARIANCE REQUEST |
| 1694097 | MULTI-WELL PLAN |
| 2085921 | CONST. LAYOUT DRAWINGS |
| 400104401 | FORM 2A SUBMITTED |
| 400133175 | HYDROLOGY MAP |
| 400133176 | LOCATION DRAWING |
| 400133178 | NRCS MAP UNIT DESC |
| 400133179 | REFERENCE AREA PICTURES |
| 400133180 | REFERENCE AREA PICTURES |
| 400133182 | ACCESS ROAD MAP |
| 400133185 | LOCATION PICTURES |
| 400133187 | LOCATION PICTURES |
| 400133419 | SURFACE AGRMT/SURETY |

Total Attach: 14 Files

General Comments

| User Group | Comment | Comment Date |
|------------|--|--------------------------|
| Agency | Request for a 502.b. variance is attached. The variance is for the Form 2A approval without a Form 2, Application for Permit to Drill. This will allow the ongoing planning and approval of other entities involved in this forty well pad within the Greeley city limits. | 5/23/2011 11:26:48 AM |
| Permit | Added, BMP's, New Multi-Well Plan & Request for Variance. plg. | 5/23/2011 8:54:57 AM |
| Permit | ON HOLD: unable to process informational 2A without form 2's. Requesting reference point be moved to wellhead per Rule. which requires a new location drawing, corrected footages for the Cultural tab. Corrected Multi-Well Plan. plg. | 3/15/2011 10:35:24 AM |
| OGLA | Changed sensitive area to yes due to likely shallow groundwater, removed plant community information and reference area comment due to "industrial" land use. | 3/9/2011 9:57:23 AM |

Total: 4 comment(s)

BMP

| Type | Comment |
|------|---------|
| | |

Total: 0 comment(s)