

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:
400052058

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 standalone 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:
423393
Expiration Date:
05/28/2014

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: Island Grove Directional Number: 1
County: WELD
QuarterQuarter: NWSW Section: 32 Township: 6N Range: 65W Meridian: 6 Ground Elevation: 4647
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: 1606 feet FSL, from North or South section line, and 563 feet FWL, from East or West section line.
Latitude: 40.441808 Longitude: -104.695592 PDOP Reading: 1.7 Date of Measurement: 08/30/2010
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: <input type="checkbox"/>	Drilling Pits: <input type="checkbox"/>	Wells: <input type="text" value="28"/>	Production Pits: <input type="checkbox"/>	Dehydrator Units: <input type="checkbox"/>
Condensate Tanks: <input type="checkbox"/>	Water Tanks: <input type="text" value="4"/>	Separators: <input type="text" value="7"/>	Electric Motors: <input type="text" value="1"/>	Multi-Well Pits: <input type="checkbox"/>
Gas or Diesel Motors: <input type="checkbox"/>	Cavity Pumps: <input type="checkbox"/>	LACT Unit: <input type="checkbox"/>	Pump Jacks: <input type="checkbox"/>	Pigging Station: <input type="checkbox"/>
Electric Generators: <input type="checkbox"/>	Gas Pipeline: <input type="checkbox"/>	Oil Pipeline: <input type="checkbox"/>	Water Pipeline: <input type="checkbox"/>	Flare: <input type="text" value="2"/>
Gas Compressors: <input type="text" value="1"/>	VOC Combustor: <input type="checkbox"/>	Oil Tanks: <input type="text" value="8"/>	Fuel Tanks: <input type="checkbox"/>	

Other: Gas motor and compressor are part of VRU

6. Construction:

Date planned to commence construction: 07/01/2011 Size of disturbed area during construction in acres: 4.20
Estimated date that interim reclamation will begin: 10/01/2012 Size of location after interim reclamation in acres: 2.00
Estimated post-construction ground elevation: 4647 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 [X]
Will salt (>15,000 ppm TDS Cl) or oil based muds be used: Yes [] No [X]
Mud disposal: Offsite [X] Onsite [] Method: Land Farming [] Land Spreading [X] Disposal Facility []
Other: _____

7. Surface Owner:

Name: Jim Ells Phone: _____
Address: 2435 71st Avenue Fax: _____
Address: _____ Email: _____
City: Greeley State: CO Zip: 80631 Date of Rule 306 surface owner consultation: _____
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
[] is the executer of the oil and gas lease [] the applicant
The right to construct the location is granted by: [] oil and gas lease [X] 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 [X] No []
Distance, in feet, to nearest building: 350 , public road: 400 , above ground utilit: 365
, railroad: 1649 , property line: 155

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: (3) Aquolls and Aquents, gravelly substratum

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: Western Wheatgrass, Plains Bluegrass, Switchgrass, Perennial Grasses, Rush

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: 215, water well: 390, depth to ground water: 5

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 Eaton Field #1 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. 3. Depth to groundwater determined from static water level of water well, permit number 2707-F- 4. The reference area will be on undisturbed ground immediately adjacent (to the east) to the well pad.

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

Signed: _____ Date: 01/27/2011 Email: Dan.Hull@LRA-INC.com

Print Name: Dan Hull Title: Senior Project Manager

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: 5/29/2011

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.

Notify COGCC OGLA Specialist for Northeast Colorado Rick Allison (rick.allison@state.co.us) 48 hours prior to construction of the location.

Attachment Check List

Att Doc Num	Name
2530677	VARIANCE REQUEST
2613650	PROPOSED BMPs
2613651	PROPOSED BMPs
2613652	CORRESPONDENCE
2613681	EXCEPTION LOC WAIVERS
2613682	EXCEPTION LOC REQUEST
2613683	CORRESPONDENCE
2651149	LOCATION DRAWING
400052058	FORM 2A SUBMITTED
400052060	NRCS MAP UNIT DESC
400127259	SURFACE AGRMT/SURETY
400127421	LOCATION PICTURES
400127423	LOCATION PICTURES
400127426	REFERENCE AREA PICTURES
400127431	REFERENCE AREA PICTURES
400127436	ACCESS ROAD MAP
400127437	MULTI-WELL PLAN
400127438	HYDROLOGY MAP

Total Attach: 18 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	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.	5/25/2011 3:22:56 PM
Permit	IN PROCESS - no APDs submitted at this time - 502.b.Variance	5/25/2011 3:20:26 PM
OGLA	Attached setback waivers and exception location request; OGLA task passed.	5/25/2011 11:20:43 AM
OGLA	phone call with lamp ryneason - operator reviewing 502.b. variance letter; expect landowner waivers and exception location request by 5/16.	5/13/2011 2:27:25 PM
OGLA	Added operator BMPs to Form 2A; attached revised location drawing and stormwater plan. Waiting on Location Exception request and waiver.	5/11/2011 4:27:20 PM
Permit	On hold waiting on form 2 APD's	2/22/2011 12:44:11 PM

Total: 6 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
General Housekeeping	<p>Solid Waste</p> <ul style="list-style-type: none"> -The site will be cleaned of all trash and waste as soon as practical. -All waste will be stored in sealed containers until it can be disposed of appropriately. -Solid waste will be removed from the site and disposed of per state regulations for solid waste.
Drilling/Completion Operations	<p>Public Notice</p> <ul style="list-style-type: none"> -A sign with Mineral Resources' contact information and a 24 hour contact number will be placed at or near the access road entrance. -For this project, per the City of Greeley's Use by Special Review process, public notice will be provided by the city staff. Notice will be provided in the following forms; by a sign, of sufficient size, placed on the property for 7 or more consecutive days prior to the meeting, by newspaper advertisement at least 5 but not more than 15 days prior to the public meetings, and by courtesy letter. At the public hearing, area residents will have the opportunity to speak and ask questions about the project.
Interim Reclamation	<p>Reclamation</p> <p>Interim and or final reclamation of the site will be completed per the COGCC rules and regulations.</p>
Construction	<p>Noxious Weeds</p> <ul style="list-style-type: none"> -The site will be inspected for weed infested areas. -Prompt action will be taken to mitigate infested areas. -All noxious weeds identified will not be allowed to reach the flowering or seed dispersal stage. -Vehicles will not be allowed to drive through weed infested areas. -Machinery will not be parked in weed infested areas. -Vehicles sent off-site regularly will be inspected to assure that undercarriages and grill works are kept free of weed seed. -Undercarriages of vehicles or machinery potentially contaminated with noxious weed seeds will be washed before entry is made into noninfested areas.
Planning	<p>Project Phasing</p> <ul style="list-style-type: none"> -The drilling of the wells at this location will be phased. It is anticipated that 5-10 wells will be drilled as Phase I, with the remaining wells drilled in the second and/or third phase. -Phasing the drilling schedule will minimize impacts to surrounding neighbors by reducing the length of continued drilling periods.
Storm Water/Erosion Control	<p>Stormwater</p> <ul style="list-style-type: none"> -Mineral Resources maintains a Field Wide Stormwater Permit, Certification No. COR03H509. This site falls under this permit. -Stormwater best management practices will be completed per the site specific stormwater management plan. BMPs include: <ul style="list-style-type: none"> -Installation of vehicle tracking control to minimize tracking of sediment off-site. -Installation of a temporary diversion to include a temporary earthen berm in conjunction with a shallow ditch along the southeast corner of the well pad. This BMP will prevent stormwater from reaching the JBS Detention Pond. -The existing dike along the northern banks of the Cache La Poudre River will prevent stormwater runoff from entering the river. -If necessary a sediment trap will be constructed to collect stormwater runoff from the temporary diversion. -Permanent seeding will be installed once all drilling and completion activities are finalized. -All stormwater best management practices will remain in place until final stabilization is achieved.

Drilling/Completion Operations	<p>Noise and Light Mitigation</p> <ul style="list-style-type: none"> -To the maximum extent possible, exhaust from all engines, motors, coolers, and other mechanized equipment shall be vented away from occupied buildings. -Facilities within 400 feet of building units shall be equipped with quiet design mufflers or equivalent. -The existing vegetation and the dyke along the northern bank of the Cache La Poudre River will provide natural noise and light mitigation to the residences located to the south. -If noise complaints are made during drilling, Mineral Resources will take sound measurements near the River Park mobile homes and near the existing residences on the property. If the readings are found to be greater than those allowed per the COGCC for the "Residential/Agricultural/Rural" zone, hay bales or other practical measures will be utilized to create a noise buffer between areas of operation and the residences. -All lighting will be positioned to prevent glare onto 11th Avenue and to the River Park mobile home community located south of the proposed wells.
Material Handling and Spill Prevention	<p>Spill Prevention</p> <ul style="list-style-type: none"> -All materials, waste, and fluids kept on-site will be stored in an appropriate manner to prevent contamination of the environment. -If a spill occurs, it will be cleaned up using absorbent material and by removing the contaminated soil -Any contaminated soil will be disposed of appropriately. -All efforts will be made to prevent the spill from migrating off-site or coming into contact with stormwater runoff. -The Spill Control and Countermeasures plan will address and control all spill procedures.
Storm Water/Erosion Control	<p>Fugitive Dust and Vehicle Tracking</p> <ul style="list-style-type: none"> -Traffic speeds will be limited to control fugitive dust. -Watering will be completed to control fugitive dust as needed. -Graveled entries will be provided for vehicle tracking control. Refer to the Stormwater Management Plan for location. -Furrowing of disturbed soil will be provided at right angles to prevailing winds as needed.

Total: 9 comment(s)