

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: 2587800

Oil and Gas Location Assessment

New Location Amend Existing Location Location#: 387102

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: 387102 Expiration Date: 08/18/2014

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: 60890 Name: MOUNTAIN PETROLEUM CORP Address: 1801 BROADWAY STE 1250 City: DENVER State: CO Zip: 80202

3. Contact Information

Name: JAKE FLORA Phone: (907) 748-6385 Fax: ( ) email: JAKEFLORA@KFRCCORP.COM

4. Location Identification:

Name: KINZIE ET AL Number: 1-4 County: LINCOLN Quarter: NESW Section: 4 Township: 15S Range: 52W Meridian: 6 Ground Elevation: 4793

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.

Footage at surface: 2015 feet FSL, from North or South section line, and 2022 feet FWL, from East or West section line. Latitude: 38.767950 Longitude: -103.230780 PDOP Reading: 2.5 Date of Measurement: 06/22/2011 Instrument Operator's Name: KEITH WESTFALL

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

Special Purpose Pits: [ ] Drilling Pits: [2] Wells: [1] Production Pits: [ ] Dehydrator Units: [ ]
Condensate Tanks: [ ] Water Tanks: [ ] Separators: [1] Electric Motors: [ ] Multi-Well Pits: [ ]
Gas or Diesel Motors: [ ] Cavity Pumps: [ ] LACT Unit: [ ] Pump Jacks: [1] Pigging Station: [ ]
Electric Generators: [ ] Gas Pipeline: [ ] Oil Pipeline: [ ] Water Pipeline: [ ] Flare: [ ]
Gas Compressors: [ ] VOC Combustor: [ ] Oil Tanks: [2] Fuel Tanks: [ ]

Other: SHOULD PRODUCTION BE ESTABLISHED ONE PUMPJACK, ONE SEPARATOR, AND TWO TANKS WOULD BE SET ON LOCATION

6. Construction:

Date planned to commence construction: 08/23/2011 Size of disturbed area during construction in acres: 2.00  
Estimated date that interim reclamation will begin: 08/26/2012 Size of location after interim reclamation in acres: 1.50  
Estimated post-construction ground elevation: 4793 Will a closed loop system be used for drilling fluids: Yes  No   
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: Evap and Burial

### 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: 20090066  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: 1, public road: 1995, above ground utilit: 1  
, railroad: 1, property line: 2015

### 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.

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: VALENT SAND, UNIT 193 3-20% 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: ONSITE OBSERVATION WITH SURFACE OWNER, BOB CAGE, REVEALED NATIVE GRASSLAND USED FOR PASTURING CATTLE.

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: 1000, water well: 5808, 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 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:**

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

Signed: \_\_\_\_\_ Date: 08/08/2011 Email: ZANEKUENZLER@KFRRCORP.COM  
Print Name: ZANE KUENZLER Title: PRESIDENT

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. Nashin Director of COGCC Date: 8/19/2011

**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.**

Best management practices (BMPs) should be utilized to minimize disturbance of the vegetative cover while constructing and operating the location and to aid soil stabilization and revegetation of the disturbed area during interim reclamation. Cut and fill slopes should be minimized to the greatest extent practicable. The BMPs may include, but shall not be limited to, the use of mulches and/or tackifiers, erosion control mats and/or blankets, appropriate seed mixes and/or soil amendments and any other practices necessary to prevent soil erosion by wind and stormwater, and to encourage the growth of desirable soil stabilizing vegetation.

### **Attachment Check List**

Att Doc Num	Name
1792257	WAIVERS
1792259	WAIVERS
2587800	FORM 2A
2587801	LOCATION PICTURES
2587802	LOCATION DRAWING
2587803	HYDROLOGY MAP
2587804	ACCESS ROAD MAP
2587805	REFERENCE AREA MAP
2587806	REFERENCE AREA PICTURES
2587807	NRCS MAP UNIT DESC
2587809	WELL LOCATION PLAT
2587810	TOPO MAP

Total Attach: 12 Files

**General Comments**

<b>User Group</b>	<b>Comment</b>	<b>Comment Date</b>
Permit	The surface owner is the mineral owner – per the Form 2A & 2. Is the surface owner committed to a lease? Yes Did the surface owner execute that lease? (The YES reply on Line 23a of the Form 2 would indicate the answer to question this is YES.) Yes If so, the right to construct should be the oil & gas lease, not the SUA. We will change the right to construct on the Form 2A from SUA to oil & gas lease. OK. Because the mineral estate is dominant, an O & G lease provides the right to operate. In this case, the SUA is “frosting”. Frosting Included Thanks!	8/17/2011 10:44:51 AM
Permit	ON HOLD for info from the operator	8/11/2011 5:12:50 PM
OGLA	Passed on 8/10/2011 due to exegent circumstances.	8/10/2011 3:31:00 PM
OGLA	Added production equipment that was in the other tab to facilities. Changed mud diposal to evap and burial per Jake Floras request.	8/10/2011 2:55:41 PM
Permit	As the Local Government Designee Lincoln County will waive the 20 day comment period for location assessment (APD) for the Form 2A for the following three oil and gas exploration permits: 1.Mercedes 13-11-4, Form 2 Number 2586918; 2.Mercedes 13-14-1, Form 2 Number 2586911; 3.Kinzie Et Al 1-4, Form @ Number 2586925. Your consideration in this matter is greatly appreciated. Kenneth Morrison Lincoln County Land Use/O.E.M.	8/10/2011 1:29:22 PM
Permit	Missing answer to H2S and closed loop questions. Is surface owner committed to an O&G lease? Cultural distances are wrong/ rounded to 1 mile.	8/10/2011 12:21:40 PM

Total: 6 comment(s)

**BMP**

<b>Type</b>	<b>Comment</b>

Total: 0 comment(s)