

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:
400187995

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:
426347
Expiration Date:
11/04/2014

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: 90450
Name: TRUE OIL LLC
Address: P O BOX 2360
City: CASPER State: WY Zip: 82601

3. Contact Information

Name: Lisa Smith
Phone: (303) 8579999
Fax: (303) 4509200
email: lspemitco@aol.com

4. Location Identification:

Name: Breeze Unit Number: 41-22
County: ROUTT
Quarter: LOT 1 Section: 22 Township: 6N Range: 89W Meridian: 6 Ground Elevation: 6524

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: 883 feet FNL, from North or South section line, and 661 feet FEL, from East or West section line.
Latitude: 40.467505 Longitude: -107.355383 PDOP Reading: 1.5 Date of Measurement: 06/23/2011
Instrument Operator's Name: Peter Epp

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"/> <u>1</u>	Wells: <input type="checkbox"/> <u>1</u>	Production Pits: <input type="checkbox"/>	Dehydrator Units: <input type="checkbox"/>
Condensate Tanks: <input type="checkbox"/>	Water Tanks: <input type="checkbox"/> <u>1</u>	Separators: <input type="checkbox"/>	Electric Motors: <input type="checkbox"/>	Multi-Well Pits: <input type="checkbox"/>
Gas or Diesel Motors: <input type="checkbox"/> <u>1</u>	Cavity Pumps: <input type="checkbox"/>	LACT Unit: <input type="checkbox"/>	Pump Jacks: <input type="checkbox"/> <u>1</u>	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="checkbox"/> <u>1</u>
Gas Compressors: <input type="checkbox"/>	VOC Combustor: <input type="checkbox"/> <u>1</u>	Oil Tanks: <input type="checkbox"/> <u>2</u>	Fuel Tanks: <input type="checkbox"/>	

Other: _____

6. Construction:

Date planned to commence construction: 09/01/2011 Size of disturbed area during construction in acres: 2.54
Estimated date that interim reclamation will begin: 05/01/2012 Size of location after interim reclamation in acres: 0.92
Estimated post-construction ground elevation: 6519 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: Evaporation and Burial

7. Surface Owner:

Name: _____ Phone: _____
Address: _____ Fax: _____
Address: _____ Email: _____
City: _____ State: _____ Zip: _____ Date of Rule 306 surface owner consultation: 08/01/2011
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: 19860022 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: 5280, public road: 460, above ground utilit: 5280
, railroad: 5280, property line: 268

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: 10E: Bulkley Sitty Clay 12-25%

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: 07/11/2011
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): Hay Meadow

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: 589, water well: 1971, 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:

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

Signed: _____ Date: 08/10/2011 Email: lspermitco@aol.com

Print Name: Lisa Smith 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: 11/5/2011

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.

SITE SPECIFIC COAs:

The drilling pit must be lined, or a closed loop system must be implemented during drilling. All cuttings generated during drilling with OBM must be kept in the lined drilling pit, or placed either in containers or on a lined/bermed portion of the well pad; prior to analysis.

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, if the drill cuttings are to be left onsite, they must also meet the applicable standards of table 910-1.

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 (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals, and maintained in good condition.

Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines or buried permanent pipelines.

Location is in a sensitive area due to very shallow groundwater, possibly less than 5 feet bgs; therefore, either a closed loop system must be used, or the drilling pit must be lined and constructed above the top of groundwater.

Location is in a sensitive area because of the potential for shallow groundwater; therefore production pits must be lined.

The location is in an area of high run off/run-on potential; therefore the pad shall be constructed to prevent any stormwater run-on and/or stormwater runoff.

If fracing operations occur, flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline or pit located on the well pad or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.

Attachment Check List

Att Doc Num	Name
2033984	PROPOSED BMPs
2033998	CORRESPONDENCE
400187995	FORM 2A SUBMITTED
400193277	ACCESS ROAD MAP
400193282	HYDROLOGY MAP
400193283	LOCATION PICTURES
400193285	REFERENCE AREA MAP
400193286	REFERENCE AREA PICTURES
400193287	NRCS MAP UNIT DESC
400193289	SURFACE AGRMT/SURETY
400194233	CONST. LAYOUT DRAWINGS
400194234	LOCATION DRAWING

Total Attach: 12 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Agency	Chris Brookshire confirmed that the location was moved and that the new location is out of the unstable slopes and should no longer be required to perform the geotechnical evaluation prior to site construction.	11/5/2011 10:55:45 AM
Agency	Spoke with Chris Brookshire regarding LGD comments. The COGCC will follow CPW recommendations for wildlife. True said that the well was moved since the onsite and the new location should be out of the potential slide area and the issues with soil stability should be resolved. The COGCC staff feels that the operator must work with the county concerning their issues with the road.	11/3/2011 4:30:09 PM
Permit	No public comments. LGD (Routt Co.) comments addressed. Comprehensive Final Review Status--passed.	9/19/2011 7:54:18 AM
Permit	REC'D LEGIBLE WELL LOC. PLAT CONFIRMING FOOTAGES.	9/15/2011 2:22:44 PM
Permit	REQ'D LEGIBLE WELL LOCATION PLAT WITH LEGIBLE SHL FOOTAGES.	9/13/2011 3:24:06 PM
DOW	<p>True Oil LLC agreed to the following list of BMPs via email dated September 1, 2011 with a copy to COGCCs Dave Kubezko. The BMPs are:</p> <p>Pad construction and drilling will occur outside of the greater sage-grouse and sharp-tailed grouse breeding and nesting period (March 1 - July 30)</p> <p>True Oil agrees to conduct drilling activities - reentry for additional/subsequent wells outside the period of March 1 to July 30</p> <p>True Oil will make a good faith effort to schedule and conduct post-development well site visitations to between the hours of 10:00 a.m. and 3:00 p.m. and reduce well site visitations between March 1 and July 30.</p> <p>True Oil will use hospital grade mufflers for compressors so that operational noise will not exceed 49db measured at 30 feet from the source.</p> <p>Design tanks and other facilities with structures such that they do not provide perches or nest substrates for raptors, crows and ravens.</p>	9/10/2011 3:38:18 PM

	<p>True Oil will conduct post-development well site visitations to between the hours of 10:00 a.m. and 3:00 p.m. and reduce well site visitations between December 1 and April 15 in elk winter concentration areas.</p> <p>CPW will consider the potential to be flexible/amend the elk winter concentration timing stipulations in order to protect sage and sharp-tailed grouse habitat and lekking activities. On-going and future discussions between CPW and</p> <p>True Oil will be necessary to determine if how the elk timing stipulation may be amended for this site.</p> <p>8. Interim and final reclamation will match existing vegetation.</p> <p>9. True Oil will include a weed management plan and implement the plan as part of reclamation.</p> <p>10. True Oil should make a good-faith effort to use closed loop drilling when technically and economically feasible. If not technically and economically feasible True Oil will:</p> <p>a. Design wastewater pits/reserve pits to minimize retention of stagnant surface water.</p> <p>b. Fence and net reserve pits adequately to exclude big game, small mammals, and grouse from entry. Follow USFWS Service guidelines and COGCC rules for netting and fencing.</p> <p>c. Treat waste water pits and any associated pit containing water that provides a medium for breeding mosquitoes with Bti (<i>Bacillus thuringiensis v. israelensis</i>) or take other effective action to control mosquito larvae that may spread West Nile Virus to wildlife, especially grouse.</p> <p>Saturday, September 10, 2011 at 3:40 P.M.</p>	
<p>OGLA</p>	<p>Initiated/Completed OGLA Form 2A review on 08-25-11 by Dave Kubeczko; requested acknowledgement of fluid containment, spill/release BMPs, flowback to tanks, cuttings low moisture/containment, and lined pit/closed loop COAs from operator on 08-25-11; received acknowledgement of COAs from operator on 08-?-11; passed by CDOW on (TBD: 09-19-11) with operator agreed to and additional operator submitted (06-24-11) BMPs acceptable; passed OGLA Form 2A review on (TBD: 09-19-11) by Dave Kubeczko; fluid containment, spill/release BMPs, flowback to tanks, moisture/containment, and lined pit/closed loop COAs.</p>	<p>8/25/2011 9:08:39 AM</p>

LGD	<p>This site is the third drilling operation proposed off of CR 65. There are wildlife concerns for elk, Sage Grouse and Columbian Sharpe-tailed Grouse. Noise from drilling operations and additional fragmentation of the environment, traffic and human presence may result in negative impacts to the wildlife. Sage and Columbian Sharpe-tail Grouse are very sensitive to noise and loss of habitat. Wildlife BMP's, drilling restrictions from Dec 1st – July 30th and access restriction after drilling should be adhered to. Routt County would also recommend that a closed loop system be used.</p> <p>The land area immediately north of the site is mapped with geologic concerns for unstable slopes, earth flow and landslide. There is an existing gas line located between the geologic concerns and the excavation and construction of the well pad. A engineering study should be completed by a qualified geologic or geotechnical engineer to ensure that the proposed design of the access road and the well pad will accommodate the specific geologic conditions and not adversely affect slope stability.</p> <p>CR 65 is classified as a remote/minimal maintenance road. There is no winter maintenance (closed) and access is not recommended and at times not possible in wet conditions. This road will have to be constructed to standards acceptable to Routt County before any drilling operations are to occur. Routt County will not maintain this road and a winter access/maintenance permit will be required along with access permits and GE permits. Continued maintenance of the road will be the responsibility of the operator during the life of operations.</p>	8/12/2011 11:08:10 AM
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Total: 8 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Wildlife	<p>Wildlife concern – COGCC mapped Greater sage-grouse production area, sharp-tailed grouse production area, and elk winter concentration area (sensitive wildlife habitats). CP&W recommendations for BMPs at this well pad location.</p> <ol style="list-style-type: none">1) Pad construction and drilling will occur outside of the greater sage-grouse and sharp-tailed breeding and nesting period (March 1 – July 30).2) True Oil agrees to conduct drilling activities –re entry for additional/subsequent wells outside the period of March 1 to July 30.3) True Oil will make a good-faith effort to schedule and conduct post-development well site visitations to between the hours of 10:00 a.m. and 3:00 p.m. and reduce well site visitations between March 1 and July 30.4) True Oil will use hospital grade mufflers for compressors, pump jacks or other motors necessary to run operations at the site as applicable – if compressors, pump jacks, etc. are necessary. Mufflers will be pointed upward to dissipate potential vibration. Control exhaust noise from pump jacks and compressors so that operational noise will not exceed 49 dB measured at 30 feet from the source.5) Design tanks and other facilities with structures such that they do not provide perches or nest substrates for raptors, crows and ravens.6) True Oil will conduct post-development well site visitations to between the hours of 10:00 a.m. and 3:00 p.m. and reduce well site visitations between December 1 and April 15 in elk winter concentration areas.7) CDOW is open to the idea of flexibility/amending the elk winter concentration timing stipulations in order to protect sage and sharp-tailed grouse habitat and lekking activities. On-going and future discussions between CDOW and True Oil will be necessary to determine if/how the elk timing stipulation can be amended for this site.8) Interim and final reclamation will match existing vegetation.9) True Oil will include a weed management plan and implement the plan as part of reclamation.10) True Oil should make a good-faith effort to use closed loop drilling when technically and economically feasible. If not technically and economically feasible True Oil will:<ol style="list-style-type: none">a. Design wastewater pits/reserve pits to minimize retention of stagnant surface water.b. Fence and net reserve pits adequately to exclude big game, small mammal, and grouse from entry. Follow USF&W guidelines and COGCC rules for netting and fencing.c. Treat waste water pits and any associated pit containing water that provides a medium for breeding mosquitos with Bti (Bacillus thuringiensis v. israelensis) or take other effective action to control mosquito larvae that may spread West Nile Virus to wildlife, especially grouse.

Total: 1 comment(s)