

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:

400213661

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:

426509

Expiration Date:

11/14/2014

☒ 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: 61250

Name: MULL DRILLING COMPANY INC

Address: 1700 N WATERFRONT PKWY B#1200

City: WICHITA State: KS Zip: 67206-6637

3. Contact Information

Name: CARL SMALLEY

Phone: (719) 767-8805

Fax: (719) 767-8994

email: CSMALLEY@MULLDRILLING.COM

4. Location Identification:

Name: MCBRIDE-MICHEL "A" Number: 1-31

County: KIOWA

QuarterQuarter: NWNE Section: 31 Township: 18S Range: 45W Meridian: 6 Ground Elevation: 3904

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: 605 feet FNL, from North or South section line, and 2400 feet FEL, from East or West section line.

Latitude: 38.452890 Longitude: -102.499520 PDOP Reading: 3.4 Date of Measurement: 09/29/2011

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: <input type="text"/> | Drilling Pits: <input type="text" value="1"/> | Wells: <input type="text" value="1"/> | Production Pits: <input type="text"/> | Dehydrator Units: <input type="text"/> |
| Condensate Tanks: <input type="text"/> | Water Tanks: <input type="text" value="1"/> | Separators: <input type="text" value="1"/> | Electric Motors: <input type="text"/> | Multi-Well Pits: <input type="text"/> |
| Gas or Diesel Motors: <input type="text" value="1"/> | Cavity Pumps: <input type="text"/> | LACT Unit: <input type="text"/> | Pump Jacks: <input type="text" value="1"/> | Pigging Station: <input type="text"/> |
| Electric Generators: <input type="text"/> | Gas Pipeline: <input type="text"/> | Oil Pipeline: <input type="text"/> | Water Pipeline: <input type="text"/> | Flare: <input type="text"/> |
| Gas Compressors: <input type="text"/> | VOC Combustor: <input type="text"/> | Oil Tanks: <input type="text" value="2"/> | Fuel Tanks: <input type="text" value="1"/> | |

Other: NONE

6. Construction:

Date planned to commence construction: 12/01/2011 Size of disturbed area during construction in acres: 2.16
Estimated date that interim reclamation will begin: 02/01/2012 Size of location after interim reclamation in acres: 2.07
Estimated post-construction ground elevation: 3904 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: DRY AND BURY

7. Surface Owner:

Name: _____ Phone: _____
Address: _____ Fax: _____
Address: _____ Email: _____
City: _____ State: _____ Zip: _____ Date of Rule 306 surface owner consultation: 09/29/2011
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 20010165

8. Reclamation Financial Assurance:

☒ Well Surety ID: 20000063 ☐ 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: 5765, public road: 5095, above ground utilit: 4999
, railroad: 4670, property line: 605

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: MAP UNIT DESCRIPTION #7 BIJOU - VALENT LOAMY SAND 1 TO 8 PERCENT SLOPS

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: 09/29/2011
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): _____

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: 812, water well: 4714, depth to ground water: 25
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:

1. ALL SURFACE WATER AREA EXISTS APPROX 812' EAST OF PROPOSED WELL PAD (BIG SANDY CREEK DRY AT THIS DATE 9/29/11). 2. AN OIL WELL ROAD EXISTS APPROX 50' EAST OF PROPOSED WELL PAD (SEE LOCATION DRAWING) ONLY VISIBLE IMPROVEMENTS WITHIN 400' OF PROPOSED WELL PAD. 3. NO CONSTRUCTION MAP NEEDED (<10 PERCENT SLOPES). 4. DEPTH TO GROUND WATER (PERMIT #176720, RECEIPT: 0364796) A STOCK WELL 4,714' NORTHEAST OF PROPOSED WELL PAD. 5. DISTANCE TO NEAREST SURFACE WATER (BIG SANDY CREEK) 812' EAST (SEE BMP'S).

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

Signed: _____ Date: 10/12/2011 Email: MSHREVE@MULLDRILLING.COM

Print Name: MARK SHREVE Title: PRESIDENT/COO

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: 11/15/2011

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.

In accordance with Rule 607.c., operator shall provide notice of any gas analysis indicating the presence of hydrogen sulfide on the proposed location including pipelines, production equipment and tanks. Submit notices to COGCC's area engineer, Dirk Sutphin, at dirk.sutphin@state.co.us and local government designee, Debra Lening at kiowaclerk@hotmail.com as follows:

1) Reporting of the presence of H₂S in concentrations less than 10 parts per million (PPM) shall be done via verbal and email notices. Verbal notice with a follow up email shall be provided as soon as practicable upon detection of H₂S to COGCC's area engineer and the local government designee.

2) All verbal and email notices shall include all of the following information:

- a) Well or Facility name,
- b) API Number or COGCC Facility Number,
- c) H₂S concentration in PPM,
- d) Date sample or measurement was collected,
- e) Type of measurement or analysis (e.g., gas analysis, meter measurement, or colorimetric tube), and
- f) Description of sample point.

3) Sundry Notices are required for H₂S concentrations equal to or exceeding 10 PPM. Only one H₂S Sundry Notice Form 4 is required per well or location following the initial H₂S detection, which exceeds 10 parts per million (PPM). Subsequent H₂S reporting shall be done on an annual basis and be submitted not later than January 31 for all measurements or sampling events during the prior calendar year.

4) Subsequent annual reports shall be provided in a spreadsheet and submitted to the COGCC's area engineer and/or COGCC's engineering supervisor via email.

5) Sundry Notices and annual report spreadsheets shall provide all of the following information:

- a) Well or Facility name
- b) API Number or COGCC Facility Number
- c) H₂S concentration in PPM
- d) Date sample or measurement was collected
- e) Type of measurement or analysis (e.g., gas analysis, meter measurement, or colorimetric tube)
- f) Description of sample point
- g) Absolute Open Flow Potential in cubic feet per day (CFPD) at the H₂S source(s).
- h) If flow is not open to the atmosphere, then state that the source is not flowing and include a description of the potential for atmospheric release and duration in which the container or pipeline would likely be opened for servicing operations.
- i) Distance to the nearest occupied residence, school, church, park, school bus stop, place of business, or other areas where the public could reasonably be expected to frequent.
- j) Distance to the nearest Federal, State, County, or municipal road or highway owned and principally maintained for public use.

If the operator can reasonably expect hydrogen sulfide at or above 100 parts per million (ppm) to be present on the location the operator shall follow all reporting requirements above and file a hydrogen sulfide drilling operations plan (United States Department of the Interior, Bureau of Land Management, Onshore Order No. 6, November 23, 1990) with the COGCC prior to spudding the well as described in COGCC rule 607.a.

Attachment Check List

| Att Doc Num | Name |
|-------------|-------------------------|
| 1792340 | CORRESPONDENCE |
| 2533417 | CORRESPONDENCE |
| 400213661 | FORM 2A SUBMITTED |
| 400213755 | LOCATION PICTURES |
| 400213759 | LOCATION DRAWING |
| 400213760 | HYDROLOGY MAP |
| 400213761 | ACCESS ROAD MAP |
| 400213762 | REFERENCE AREA MAP |
| 400213763 | REFERENCE AREA PICTURES |
| 400213764 | NRCS MAP UNIT DESC |
| 400213766 | OTHER |

Total Attach: 11 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|---|--------------------------|
| Permit | Final review passed 11/15/2011 NKP | 11/15/2011 7:57:50 AM |
| Permit | Per T. Tritt 11/4/2011, the closest building is 5,675 feet from the well location. | 11/7/2011 1:44:16 PM |
| Permit | Email to opr 11/3/11 The 2009 aerial photo shows a building approximately 5765 feet away, closer than the 8290 feet reported. Please verify. NKP | 11/3/2011 3:33:44 PM |
| OGLA | There is an O&G well (API #061-06179) located approximately 380 feet from the proposed location. The well is not shown on the location drawing, I spoke ot Carl Smalley of Mull Drilling and he beleives that the well is now plugged and abandoned the COGCC database shows the well as shut in. There is an abandonment report for API 061-06179 in well file. | 11/2/2011 8:31:07 AM |
| OGLA | Ready to pass 11/2/2011. | 10/24/2011 8:21:34 AM |

Total: 5 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|-------------|----------------|
| | |

Total: 0 comment(s)