

FORM
2ARev
04/01State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



DE ET OE ES

Document Number:

2588416

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:

426533

Expiration Date:

11/16/2014
☒ 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: 10301

Name: DEJOUR ENERGY (USA) CORPORATION

Address: 1401 17TH STREET #1000

City: DENVER State: CO Zip: 80202

3. Contact Information

Name: GARY HAEFELE

Phone: (303) 296-3535

Fax: (303) 296-3888

email: GHAEFELE@DEJOUR.COM

4. Location Identification:

Name: FEDERAL Number: 21A

County: GARFIELD

QuarterQuarter: SWSE Section: 21 Township: 6S Range: 91W Meridian: 6 Ground Elevation: 7009

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: 811 feet FSL, from North or South section line, and 1747 feet FEL, from East or West section line.

Latitude: 39.508596 Longitude: -107.555941 PDOP Reading: 3.0 Date of Measurement: 04/21/2010

Instrument Operator's Name: KYLE TESKY

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="9"/>	Production Pits: <input type="text" value="1"/>	Dehydrator Units: <input type="text"/>
Condensate Tanks: <input type="text" value="3"/>	Water Tanks: <input type="text" value="2"/>	Separators: <input type="text" value="4"/>	Electric Motors: <input type="text"/>	Multi-Well Pits: <input type="text"/>
Gas or Diesel Motors: <input type="text"/>	Cavity Pumps: <input type="text"/>	LACT Unit: <input type="text"/>	Pump Jacks: <input type="text"/>	Pigging Station: <input type="text" value="1"/>
Electric Generators: <input type="text"/>	Gas Pipeline: <input type="text" value="1"/>	Oil Pipeline: <input type="text"/>	Water Pipeline: <input type="text" value="1"/>	Flare: <input type="text"/>
Gas Compressors: <input type="text"/>	VOC Combustor: <input type="text" value="1"/>	Oil Tanks: <input type="text"/>	Fuel Tanks: <input type="text"/>	

Other: SEPARATORS ARE 2 QUAD UNITS. GAS COMPRESSOR AND ASSOCIATED INFRASTRUCTURE MAY BE SET IF FUTURE GAS LIFT IS NECESSARY.

6. Construction:

Date planned to commence construction: 10/01/2011 Size of disturbed area during construction in acres: 4.42
Estimated date that interim reclamation will begin: 06/01/2012 Size of location after interim reclamation in acres: 2.51
Estimated post-construction ground elevation: 7008 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: 04/22/2010
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: _____ ☐ 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: 4854, public road: 4800, above ground utilit: 5823
, railroad: 17723, property line: 440

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: 44, MORVAL LOAN (3-12% 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: 07/24/2010

List individual species: MUSK THISTLE, SCOTCH THISTLE, CANADA THISTLE, BULL THISTLE, CHEATGRASS, AND FIELD BINDWEED

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: 4800, water well: 4854, depth to ground water: 85

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:

DEPTH TO GROUND WATER IS BASED ON THE JOLLEY RANCH WATER WELL. DRILLING TO OCCUR IN THE 4TH QUARTER OF 2011 WITH COMPLETIONS IN EARLY 2012. DRILL CUTTINGS PIT TO BE LINED AND USED FOR DISPOSAL OF DRIED CUTTINGS. PRODUCED WATER/FLOWBACK PIT TO BE LINED.

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

Signed: _____ Date: 09/01/2011 Email: RRICARDSON@DEJOUR.COM

Print Name: ROBERT W RICHARDSON Title: LAND 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. Neslin Director of COGCC Date: 11/17/2011

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:

Notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to construction of the pit.

A Form 15 Earthen Pit Permit must be submitted to the COGCC Location Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and approval must be obtained prior to construction of the completion/flowback fluids/production pit.

Notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to start of pit and fracing operations.

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 (at least every 14 days), and maintained in good condition.

No portion of any pit that will be used to hold liquids shall be constructed on fill material, unless the pit and fill slope are designed and certified by a professional engineer, subject to review and approval by the director prior to construction of the pit. The construction and lining of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.

If there are changes to the pit construction (i.e. changes from the submitted construction layout drawings), then the operator must submit a professional engineer (PE) approved/stamped as-built drawing (plan view and cross-sections) of the completion/flowback/production pit within 30 calendar days of construction.

The completion/flowback fluids/production pit must be fenced and netted. The operator must maintain the fencing and netting until the pit is closed in accordance with Rule 905. Closure of Pits, and Buried or Partially Buried Produced Water Vessels.

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.

A surface water sample from the unnamed stream located to the northeast shall be collected prior to pit use and every 12 months to evaluate potential impacts from pit operations. At a minimum, the surface water samples will be analyze for the following parameters: major cations/anions (chloride, fluoride, sulfate, sodium); total dissolved solids (TDS); and BTEX/DRO.

Prior to pit closure, operator must submit E&P waste disposal information (if different from the Form 15) via a Form 4 Sundry Notice to the COGCC Location Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Environmental Supervisor for Western Colorado (alex.fischer@state.co.us) for approval.

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, the drill cuttings must also meet the applicable standards of table 910-1.

The liner in the cuttings pits must be removed and disposed of offsite prior to final disposal of drill cuttings in the pit.

Attachment Check List

Att Doc Num	Name
2034060	CORRESPONDENCE
2588416	FORM 2A SUBMITTED
2588417	LOCATION PICTURES
2588418	LOCATION DRAWING
2588419	HYDROLOGY MAP
2588420	ACCESS ROAD MAP
2588421	REFERENCE AREA MAP
2588422	REFERENCE AREA PICTURES
2588423	NRCS MAP UNIT DESC
2588424	CONST. LAYOUT DRAWINGS
2588425	MINERAL LEASE MAP
2588426	CORRESPONDENCE
2588427	OTHER

Total Attach: 13 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	CPW concerns addressed by BLM stips. LGD/pub. comments waived. Final Comprehensive Review Status--passed.	11/17/2011 7:28:09 AM
DOW	This well pad is located on federal surface and the lease is federal minerals. It is located within the boundary of and obligated by the terms and conditions of the Dejour Master Development Plan - DOI-BLM-CO-N040-2010-0068-EA. CPW affirms that the lease stipulations and conditions of approval assigned to this permit by the BLM suffice to address wildlife habitat and mitigation concerns. Monday, October 31, 2011 at 12:10 p.m.	10/31/2011 12:07:42 PM
OGLA	Initiated/Completed OGLA Form 2A review on 10-07-11 by Dave Kubeczko; requested acknowledgement of fluid containment/spill release BMPs, lined pit, no pit in fill, flowback to tanks, cuttings low moisture, and stream sampling COAs from operator on 10-07-11; received acknowledgement of COAs from operator on 11-09-11; passed by CDOW on 10-31-11 with BLM stipulations and COAs acceptable; passed OGLA Form 2A review on 11-16-11 by Dave Kubeczko; fluid containment, spill/release BMPs, no pit in fill, flowback to tanks, cuttings low moisture, and stream sampling COAs. NO RESPONSE FROM OPERATOR; CALLED TWICE AND LEFT MESSAGES	10/7/2011 2:18:26 PM
Permit	ready to approve in permitting when DOW exp. & OGLA passes.	10/6/2011 1:23:32 PM
Permit	Corrected above issues with Bob Richardson via verbal.	9/21/2011 8:36:43 AM
Permit	Changed well name per operator. Dejour does not have an agent. Missing questions for H2S, this is a SWA, on or offsite mud disposal?, surface owner mineral owner?, high density area? Spoke with operator regarding designation of agent 9/9/11 & 9/14/11	9/8/2011 2:33:39 PM

Total: 6 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)