

FORM  
2ARev  
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



DE ET OE ES

Document Number:

400227626

## 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:

Expiration Date:

☒ 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: 47200

Name: KGH OPERATING COMPANY

Address: P O BOX 2235

City: BILLINGS State: MT Zip: 59103-2235

## 3. Contact Information

Name: THOMAS M. HAUPTMAN

Phone: (406) 259-8509

Fax: ( )

email: TKPRODUC@180COM.NET

4. Location  
Identification:

Name: MEAGHER Number: 3-1H

County: RIO BLANCO

Quarter: LOT 7 Section: 3 Township: 1S Range: 104W Meridian: 6 Ground Elevation: 6218

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: 623 feet FSL, from North or South section line, and 503 feet FWL, from East or West section line.

Latitude: 39.984728 Longitude: -109.049150 PDOP Reading: 2.4 Date of Measurement: 06/09/2011

Instrument Operator's Name: ROBERT KAY

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

Special Purpose Pits: <input type="text" value="1"/>	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" value="1"/>	Water Tanks: <input type="text"/>	Separators: <input type="text"/>	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"/>	Pigging Station: <input type="text" value="1"/>
Electric Generators: <input type="text" value="1"/>	Gas Pipeline: <input type="text"/>	Oil Pipeline: <input type="text"/>	Water Pipeline: <input type="text"/>	Flare: <input type="text" value="1"/>
Gas Compressors: <input type="text"/>	VOC Combustor: <input type="text"/>	Oil Tanks: <input type="text"/>	Fuel Tanks: <input type="text"/>	

Other: 1 FLARE PIT, 1 RESERVE PIT, 1 STORAGE TANK

## 6. Construction:

Date planned to commence construction: 04/23/2012 Size of disturbed area during construction in acres: 3.70  
Estimated date that interim reclamation will begin: 05/01/2012 Size of location after interim reclamation in acres: 1.50  
Estimated post-construction ground elevation: 6214 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: A-M, INC Phone: \_\_\_\_\_  
Address: 7350 ISLAND QUEEN DRIVE Fax: \_\_\_\_\_  
Address: \_\_\_\_\_ Email: \_\_\_\_\_  
City: SPARKS State: NV Zip: 89436 Date of Rule 306 surface owner consultation: 09/06/2011  
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: 20030032 ☐ 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: 73000, public road: 23000, above ground utilit: 73000  
, railroad: 74000, property line: 503

## 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: 123 walknolls extremely channery sandy loam, 4 to 25 percent 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: \_\_\_\_\_  
\_\_\_\_\_

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: 2700, water well: 5280, depth to ground water: 300

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:

A PRECONSULTATION WITH THE COLORADO DIVISION OF WILDLIFE WAS HELD VIA PHONE CONFERENCE ON JULY 18TH, 2010 FOR THE MEAGHER 10-1H SITE. WILDLIFE BMPs ARE IDENTIFIED IN ATTACHMENT A. RULE 305 30 DAY NOTICE WAIVER PART OF SUA ATTACHED. SURFACE OWNERSHIP DIVIDED INTO SEVEN INTERESTS. A SURFACE USE AGREEMENT SIGNED BY EACH PARTY IS ATTACHED.

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

Signed: \_\_\_\_\_ Date: 12/09/2011 Email: MMARKUS@OACONSULTING.COM

Print Name: MICHAEL MARKUS Title: PROJECT SCIENTIST

## Surface Owner Information

Owner Name	Address	Phone	Fax	Email
A-M, INC	7350 ISLAND QUEEN DRIVE SPARKS, NV 89436			
DALE A. MEAGHER	1163 SOUTH 500 WEST VERNAL, UT 84078			
EMERALD PHOENIX OIL CO	111 EAST LINCOLN ROAD #4 SPOKANE, WA 99208			
PATRICIA PRICE BRIMLEY	4616 S. FORTUNA WAY SALT LAKE CITY, UT 84124			
PREAS FAMILY LLC	903 N. JACKSON ST. HUNTINGTON, IN 47542-1036			
STEVEN J. PRICE	2816 WAYMON VIEW COURT SALT LAKE CITY, UT 84117			
WILLIAM J. PRICE	4616 S. FORTUNA WAY SALT LAKE CITY, UT 84124			

7 Surface Owner(s)

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: \_\_\_\_\_ Director of COGCC \_\_\_\_\_ Date: \_\_\_\_\_

### 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.**

## Attachment Check List

Att Doc Num	Name
400227626	FORM 2A SUBMITTED
400231040	ACCESS ROAD MAP
400231041	CONST. LAYOUT DRAWINGS
400231042	HYDROLOGY MAP
400231044	DRILLING PLAN
400231045	LOCATION DRAWING
400231046	LOCATION PICTURES
400231047	NRCS MAP UNIT DESC
400231048	DOW CONSULTATION
400231049	REFERENCE AREA PICTURES
400231050	SURFACE AGRMT/SURETY
400231051	TOPO MAP

Total Attach: 12 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)

### BMP

<u>Type</u>	<u>Comment</u>
Wildlife	<p>1. WHERE OIL AND GAS ACTIVITIES MUST OCCUR IN MULE DEER CRITICAL WINTER RANGE OR ELK WINTER CONCENTRATION AREAS, CONDUCT THESE ACTIVITIES OUTSIDE OF THE TIME PERIOD DECEMBER 1 THROUGH APRIL 15 (CONSTRUCTION AND DRILLING)</p> <p>2. RESTRICT POST DEVELOPMENT WELL SITE VISITATIONS TO BETWEEN THE HOURS OF 10:00 AM AND 3:00 PM, AND REDUCE WELL SITE VISITATIONS BETWEEN DECEMBER 1 AND APRIL 15 IN MULE DEER AND ELK WINTER RANGE.</p> <p>3. ESTABLISH COMPANY GUIDELINES TO MINIMIZE WILDLIFE MORTALITY FROM VEHICLE COLLISIONS ON ROADS.</p> <p>4. GATE SINGLE-PURPOSE ROADS AND RESTRICT GENERAL PUBLIC ACCESS TO REDUCE TRAFFIC DISRUPTIONS TO WILDLIFE.</p> <p>5. CLOSE AND IMMEDIATELY RECLAIM ALL ROADS THAT ARE REDUNDANT, NOT USED REGULARLY, OR HAVE BEEN ABANDONED TO THE MAXIMUM EXTENT POSSIBLE TO MINIMIZE DISTURBANCE AND HABITAT FRAGMENTATION.</p> <p>6. AVOID AGGRESSIVE NON-NATIVE GRASSES AND SHRUBS IN MULE DEER AND ELK HABITAT RESTORATION.</p> <p>7. RECLAIM MULE DEER AND ELK HABITAT WITH NATIVE SHRUBS, GRASSES, AND FORBS APPROPRIATE TO THE ECOLOGICAL SITE DISTURBED.</p> <p>8. RESTORE APPROPRIATE SAGEBRUSH SPECIES OR SUBSPECIES ON DISTURBED SAGEBRUSH SITES. USE LOCALLY COLLECTED SEED FOR RESEEDING WHERE POSSIBLE.</p>
Storm Water/Erosion Control	<p>STORMWATER MANAGEMENT WILL BE MANAGED UNDER KGH OPERATING COMPANY'S (KGH) PROPOSED STORMWATER MANAGEMENT PLAN PREPARED FOR THE PROJECT AREA. A STORMWATER PLAN AND PERMIT WILL BE SUBMITTED TO CDPHE AS REQUIRED. PRIOR TO CONSTRUCTION A STORMWATER "PERIMETER" WILL BE BUILT AROUND THE SITE FOR INITIAL WORK PURPOSES. ONCE THE PAD CONSTRUCTION IS COMPLETED, THE SITE WILL BE INSPECTED AND ANY NECESSARY EROSION CONTROL DEVICES NEEDED TO MANAGE SEDIMENT DISCHARGE FROM THE PAD WILL BE INSTALLED. THESE DEVICES MAY INCLUDE BUT ARE NOT LIMITED TO:</p> <ul style="list-style-type: none"><li>- ROCK CHECK DAMS</li><li>- SETTLING PONDS</li><li>- STRAW WADDLES</li><li>- SILT FENCING (USED SPARINGLY)</li></ul>
Material Handling and Spill Prevention	<p>SPILL PREVENTION AND CONTROL AND COUNTER MEASURES (SPCC)</p> <p>ONCE THE WELLS ARE DRILLED AND COMPLETED ONSITE KGH WILL PREPARE AN SPCC PLAN FOR THE SITE.</p>

Total: 3 comment(s)