

FORM 2A

Rev 04/01

State of Colorado Oil and Gas Conservation Commission

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Table with columns DE, ET, OE, ES

Document Number: 400220301

Oil and Gas Location Assessment

[X] 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...

Location ID: 426947 Expiration Date: 12/15/2014

[X] 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: 69760
Name: PETRON DEVELOPMENT COMPANY
Address: 1899 W LITTLETON BLVD
City: LITTLETON State: CO Zip: 80120

3. Contact Information

Name: Kallasandra Moran
Phone: (303) 928-7128
Fax: (303) 962-6237
email: kmoran@petro-fs.com

4. Location Identification:

Name: Lazy Day Number: 4-24
County: YUMA
Quarter: NWNW Section: 24 Township: 4N Range: 47W Meridian: 6 Ground Elevation: 3947

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: 1093 feet FNL, from North or South section line, and 582 feet FWL, from East or West section line.
Latitude: 40.304423 Longitude: -102.583081 PDOP Reading: 2.2 Date of Measurement: 10/09/2011
Instrument Operator's Name: Ben Milius / PFS

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

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

6. Construction:

Date planned to commence construction: 12/01/2011 Size of disturbed area during construction in acres: 1.38  
 Estimated date that interim reclamation will begin: 03/16/2012 Size of location after interim reclamation in acres: 0.69  
 Estimated post-construction ground elevation: 3947 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: 10/14/2011  
 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: 20110203  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: 1409, public road: 582, above ground utilit: 590  
 , railroad: 5280, property line: 582

**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: 19 Haxtun Sandy Loam

NRCS Map Unit Name: 35 - Planter Loam

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: 644, water well: 923, depth to ground water: 185

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:

The location does not require a variance from any of the rules listed in Rule 306.d. (1). (A). (ii). The location is not in a restricted surface occupancy area. The location is not in a sensitive wildlife habitat area.

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

Signed: \_\_\_\_\_ Date: 11/02/2011 Email: kmoran@petro-fs.com

Print Name: Kallasandra M. Moran Title: Regulatory Analyst

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: 12/16/2011

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.

**Attachment Check List**

Att Doc Num	Name
400220301	FORM 2A SUBMITTED
400220307	30 DAY NOTICE LETTER
400220308	ACCESS ROAD MAP
400220309	HYDROLOGY MAP
400220310	LOCATION DRAWING
400220311	LOCATION PICTURES
400220312	NRCS MAP UNIT DESC
400220313	NRCS MAP UNIT DESC

Total Attach: 8 Files

**General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>
Permit	Final review passed 12/16/2011 NKP	12/16/2011 6:48:24 AM
Permit	Appropriate bonding documented, see blanket surety 2011-0203. 12/13/2011	12/13/2011 3:52:45 PM
Permit	On hold pending proper bonding. 11/30/2011	11/30/2011 1:10:57 PM
OGLA	The method of mud disposal was changed from Land Farming to Evaporation and Burial. The change was made based on correspondence with the operator.	11/23/2011 7:42:30 AM
OGLA	Ready to pass 11/23/2011	11/7/2011 11:22:58 AM
OGLA	The location falls within the W-Y Groundwater Management District.  W-Y Ground Water Contact Person: Jack Dowell Management District W-4 PO Box 121, Yuma, CO 80759 Phone: 970-848-5333	11/7/2011 11:16:54 AM
OGLA	The proposed location falls within the Northern High Plains Designated Basin and therefore is considered a Sensitive Area.  The Sensitive Area Tab has been changed to "YES".	11/7/2011 11:14:28 AM

Total: 7 comment(s)

## BMP

<u>Type</u>	<u>Comment</u>
Interim Reclamation	Utilize only such area around each producing well as is reasonably necessary. Restore the remainder of the well site location to its original condition within a reasonable time after the completion of operations. All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner.
Storm Water/Erosion Control	Use water bars, and other measures to prevent erosion and non-source pollution. Implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).
Drilling/Completion Operations	When available and reasonable use a closed-loop drilling mud system to preclude the use of an earthen reserve pits when available.
Planning	When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.
Construction	Remove only the minimum amount of vegetation necessary for the construction of roads and facilities. Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation. No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.
Site Specific	Fence the well site after drilling to restrict public and wildlife access. Keep well site location, the road, and the pipeline easement free of noxious weeds, litter and debris. Spray for noxious weeds, and implement dust control, as needed. Operator will not permit the release or discharge of any toxic or hazardous chemicals or wastes on Owner's Land. Construct and maintain gates or cattle guards where any roads used by operator, its employees, or contractors, cross through fences on the leased premises.
Final Reclamation	All surface restoration shall be accomplished to the satisfaction of Owner. All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner. Final reclamation shall be completed to the reasonable satisfaction of the Owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards (BLM/COGCC).

Total: 7 comment(s)