

Sensitive Area Determination Checklist

SG Interests I, Ltd.

| | | |
|---------------------------------|--------------------------|---|
| Person(s) conducting inspection | Catherine Dickert | 09/09/2011 |
| Site Information | | |
| Location: | Federal 12-89-7 #1 Well | Time: Desk review following 8/31/11 field visit |
| Type of Facility: | Natural gas well | |
| Environmental Conditions | Partly sunny, ground dry | |
| Temperature | ≈70°F | |

Has the proposed, new or existing location been designated as a sensitive area?

Yes X (The depth to groundwater is likely less than 50').

No _____

SURFACE WATER

- 1) Are there any surface water features or SWSAs adjacent to or within ¼ mile of the proposed/new facility?

Yes X

No _____

If yes, list type of surface water feature(s), i.e. rivers, creeks, streams, seeps, springs, wetlands: There is a stock pond approximately 1,000' to the SW of the proposed wellhead. The stock pond and proposed drill site are separated by a ridge on the landscape.

- 2) Could a potential release from the facility reach surface water features?

Yes _____

No X

If yes, describe the pathway a release from the facility would likely follow to determine if the potential to impact surface water is high or low.

- 3) Is the potential to impact surface waters from a facility release high or low?

High _____

Low X

GROUNDWATER

- 1) Will the proposed/new or existing facility have any pits that will contain hydrocarbons and chlorides or other E&P wastes?

Yes X

No _____

If yes, list the pit types(s): Drilling pits that will be lined and temporary.

- 2) Is the site of the proposed facility underlain by an unconfined aquifer or recharge zone?

Yes _____

No X

3) Is the hydraulic conductivity of the underlying soil or geologic material $\leq 1.0 \times 10^{-7}$ cm/sec?

Yes _____

No X (Bulkley clay loam Ksat value is moderately low or moderately high.)

4) Is the proposed facility located within 1/8 mile of domestic water well or 1/4 mile of a public water supply well which would use the same aquifer?

Yes _____

No X (Nearest domestic water well is 1940' away.)

5) Is the proposed facility located within a 100-year floodplain?

Yes _____

No X (See floodplain map.)

6) Is the depth to groundwater known?

Yes _____ (If yes, follow instructions provided in 6(a) of this section.)

No X (If no, follow instructions provided in 6(b) of this section.)

(a) If yes, could a potential release from the proposed facility reach groundwater?

Yes _____ If yes, explain:

No _____

(b) If no: (i) Evaluate surrounding soils, topography, and vegetation which may suggest the presence of shallow groundwater. (ii) Gather information from surrounding well data in order to determine a depth to groundwater, i.e. State Engineer's Office.

Using data collected by Gunnison Energy Corporation for their Hotchkiss Water Storage Facility, depth to groundwater is estimated at less than 50' (between 30' and 40'). There are no nearby permitted water wells from which depth to groundwater can be determined.

7) Is the potential to impact groundwater from the facility in the event of a release high or low?

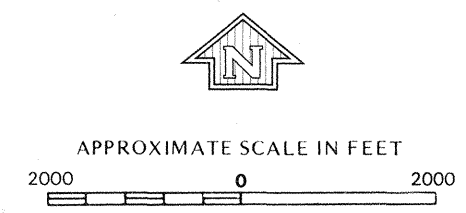
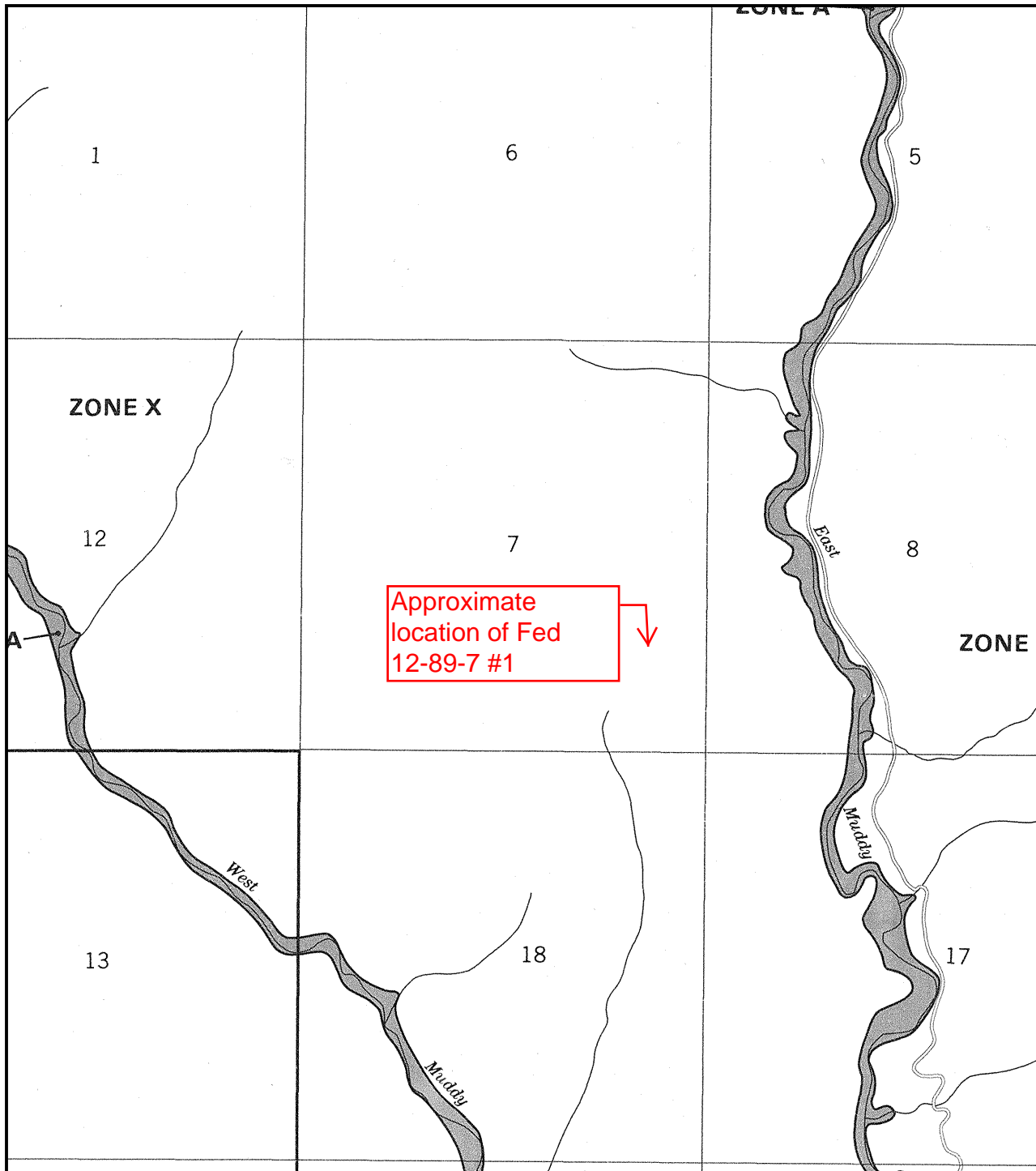
High _____

Low X

The drilling pits will be lined to prevent contact between pit contents and groundwater. They will be removed and backfilled following the drilling operations.

Additional Comments: Spills during operations must be stopped and cleaned up immediately to prevent migration of that material toward the groundwater.

Signature Catherine Dabest Date: September 9, 2011

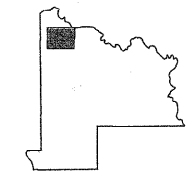


NATIONAL FLOOD INSURANCE PROGRAM

FIRM
FLOOD INSURANCE RATE MAP

GUNNISON
COUNTY,
COLORADO
(UNINCORPORATED AREAS)

PANEL 125 OF 975
(SEE MAP INDEX FOR PANELS NOT PRINTED)



PANEL LOCATION
COMMUNITY-PANEL NUMBER
080078 0125 B

EFFECTIVE DATE:
SEPTEMBER 29, 1989



Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov