

**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



Document Number:

400253395

Date Received:

02/22/2012

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:

428432

Expiration Date:

03/30/2015☒ 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: 10369

Name: NATURAL RESOURCE GROUP INC

Address: 1789 W LITTLETON BLVD

City: LITTLETON State: CO Zip: 80126

3. Contact Information

Name: Brian Hedberg

Phone: (303) 797-5417

Fax: (303) 797-5418

email: bhedberg@nrgcolo.com

4. Location Identification:

Name: Kayla Number: 1

County: LAS ANIMAS

QuarterQuarter: SENW Section: 4 Township: 34S Range: 62W Meridian: 6 Ground Elevation: 6452

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: 1872 feet FNL, from North or South section line, and 1987 feet FWL, from East or West section line.

Latitude: 37.112721 Longitude: -104.352004 PDOP Reading: 6.0 Date of Measurement: 01/19/2012

Instrument Operator's Name: Gary L. Terry

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" value="1"/>	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"/>	Cavity Pumps: <input type="text"/>	LACT Unit: <input type="text"/>	Pump Jacks: <input type="text"/>	Pigging Station: <input type="text"/>
Electric Generators: <input type="text"/>	Gas Pipeline: <input type="text" value="1"/>	Oil Pipeline: <input type="text"/>	Water Pipeline: <input type="text"/>	Flare: <input type="text"/>
Gas Compressors: <input type="text" value="2"/>	VOC Combustor: <input type="text"/>	Oil Tanks: <input type="text"/>	Fuel Tanks: <input type="text"/>	

Other: _____

6. Construction:

Date planned to commence construction: 04/30/2012 Size of disturbed area during construction in acres: 0.50
 Estimated date that interim reclamation will begin: 05/31/2012 Size of location after interim reclamation in acres: 0.25
 Estimated post-construction ground elevation: 6452 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: AIR DRILLING - NO MUD

7. Surface Owner:

Name: _____ Phone: _____
 Address: _____ Fax: _____
 Address: _____ Email: _____
 City: _____ State: _____ Zip: _____ Date of Rule 306 surface owner consultation: 01/18/2012
 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: 20110094 ☐ 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: 4250 , public road: 3385 , above ground utilit: 3375
 , railroad: 16780 , property line: 660

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: Torreón Stony Clay Loam, 5 to 20 percent slopes

NRCS Map Unit Name: Aridic Calciustolls, 15 to 35 percent slopes

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: Western Wheatgrass, Bluegrass, Green needlegrass, Sandberg bluegrass, fourwing saltbush, Indian ricegrass, Winterfat, American vetch, Purple prairieclover

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: 240, water well: 5000, depth to ground water: 60

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:

There are no improvements within 400' of the edge of the pad. The reference area is immediately adjacent to the east of the location.

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

Signed: _____ Date: 02/22/2012 Email: bhedberg@nrgcolo.com

Print Name: Brian Hedberg Title: General Counsel

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: 3/31/2012

**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
2533540	REFERENCE AREA PICTURES
2533546	CORRESPONDENCE
2533547	CORRESPONDENCE
400253395	FORM 2A SUBMITTED
400253397	HYDROLOGY MAP
400253402	ACCESS ROAD MAP
400253403	CONST. LAYOUT DRAWINGS
400253405	NRCS MAP UNIT DESC
400253406	NRCS MAP UNIT DESC
400257341	LOCATION PICTURES

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed.	3/27/2012 7:13:09 AM
Permit	Bill, We used the Road Access Map provided by the surveyor for this distance. I re-measured the distance from the Kayla to the point where the private road and County Road 12.5 intersect and 3,375 seems like the right distance. I did confirm that there is a power line running along CR 12.5, which would make the public utility approximately 3,385. Thanks, Brian	3/27/2012 7:09:59 AM
OGLA	Reference area photos have been received. The distance to surface water has been changed with operator consent. Ready to pass.	3/23/2012 8:29:55 AM
Permit	Conflicting distances between the form 2 and form 2A for the footages to the nearest surface feature. Emailed Brian Hedberg for clarification.	3/19/2012 6:10:05 AM
Permit	Operator corrected plugging bond, BMP's and attachments. This form has passed completeness.	3/2/2012 12:13:10 PM
Permit	Returned to draft. Invalid plugging bond, missing BMP's, location drawing, and location pictures.	2/24/2012 7:14:19 AM

Total: 6 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Interim Reclamation	During drilling, production and reclamation operations, all disturbed areas will be kept as free from all undesirable plant species as practicable.
Construction	Surface roads to ensure that the anticipated volume of traffic and the weight and speed of vehicles using the road do not cause environmental damage. Use minimum right-of-way width and vegetation mats where pipelines cross riparian areas and streams wherever possible.
Wildlife	Enforce policies to protect wildlife (e.g., no poaching, no dogs on location, no feeding of wildlife, etc.).
Drilling/Completion Operations	Promptly report spills that affect wildlife to the CDOW. Limit parking to already disturbed areas that have not yet been reclaimed.
General Housekeeping	Make sure all gates remain closed unless otherwise requested by the surface owner.
Final Reclamation	Seed during appropriate season to increase likelihood of reclamation success. Do not include aggressive, non-native grasses in reclamation seed mixes.
Planning	Adequately size infrastructure and facilities to accomodate both current and future gas production. Avoid constructing any road segment in the channel of an intermittent or perennial stream. Combine utility infrastructure (gas, electric, water) planning with roadway planning to avoid separate utility corridors. Where possible, consolidate pipeline and existing roadways, or roadways that are planned for developement.
Site Specific	Use exisiting roads where possible to avoid erosion and minimize the land area devoted to oil and gas operations. Restrict oil and gas activities as practicable during critical seasonal periods.

Total: 8 comment(s)