

FORM
2A

Rev
04/01

State of Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:
400358334

Date Received:

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: 77330

Name: SG INTERESTS I LTD

Address: 1485 FLORIDA RD #C202

City: DURANGO State: CO Zip: 81301

3. Contact Information

Name: Catherine Dickert

Phone: (970) 385-0696

Fax: (970) 385-0636

email: cdickert@sginterests.com

4. Location Identification:

Name: Federal 8-89-7 Number: 1

County: GARFIELD

Quarter: SESW Section: 7 Township: 8S Range: 89W Meridian: 6 Ground Elevation: 9728

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: 990 feet FSL, from North or South section line, and 1868 feet FWL, from East or West section line.

Latitude: 39.367950 Longitude: -107.373877 PDOP Reading: 1.9 Date of Measurement: 08/13/2012

Instrument Operator's Name: Bob Wood

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="4"/>	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" value="1"/>	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" value="1"/>	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: water transfer

6. Construction:

Date planned to commence construction: 05/15/2013 Size of disturbed area during construction in acres: 2.50
Estimated date that interim reclamation will begin: 07/15/2013 Size of location after interim reclamation in acres: 2.00
Estimated post-construction ground elevation: 9726 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: USDA Forest Service Phone: (970) 876-9046
Address: 2300 River Frontage Road Fax: (970) 876-9090
Address: _____ Email: jrgross@fs.fed.us
City: Silt State: CO Zip: 81652 Date of Rule 306 surface owner consultation: _____
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: 15275, public road: 13375, above ground utilit: 14500
, railroad: 43500, property line: 7100

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: USDA Forest Service-Scout family,very cobbly loam to extremely cobbly sandy clay loam, 40-65% 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: 11/08/2012

List individual species: OBSERVATION -subalpine fir (dense) per FS - subalpine fir-Engelmann spruce/Rocky Mountain whortleberry and subalpine fir-Engelmann spruce/heartleaf arnica

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: 800 , water well: 9000 , depth to ground water: 30

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:

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

Signed: _____ Date: _____ Email: cdickert@sginterests.com

Print Name: Catherine Dickert Title: Env & Permit 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: _____ 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.

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Attachment Check List

Att Doc Num	Name
400369994	HYDROLOGY MAP
400369997	LOCATION DRAWING
400369998	ACCESS ROAD MAP
400370000	NRCS MAP UNIT DESC
400370002	REFERENCE AREA MAP
400373470	LOCATION PICTURES
400373483	CONST. LAYOUT DRAWINGS
400373929	SENSITIVE AREA DATA

Total Attach: 8 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>
Construction	Schedule construction in streams and rivers at low water periods to minimize disturbance to this habitat. Appropriately maintain roads by surfacing, crowning, and maintaining ditches to prevent runoff from damaging water quality. Apply water or other dust suppressant to roads and other work sites as needed to control fugitive dust. Limit speeds on access roads and work sites to prevent road damage and dust problems. Install energy dissipation structures at culvert outfalls to prevent soil erosion. Install and maintain check dams or other structures in road ditches to slow flowing water and prevent scouring and sedimentation.
Drilling/Completion Operations	Maintain wildlife fencing and netting as needed. Whenever a pit is left open prior to reclamation, it will be fenced and covered with netting to prevent wildlife and birds from entering the pit. If it necessary to postpone pit closure due to winter conditions, excess water will be removed from the pit and solids in the pit will be fenced and tarped and will exclude wildlife and birds. Limit days and hours of operations where practical to minimize disturbance resulting from activity and traffic. Limit vehicle and equipment parking to designated parking areas. Reduce noise by using effective sound dampening devices and/or techniques as needed. Use produced water as much as possible in fracturing operations to reduce use of fresh water. Drilling fluids will be disposed of at a permitted commercial disposal facility. Free water may be hauled to an approved disposal facility to facilitate drying of pits. If fluids must be removed from drilling pits, vacuum trucks will remove these fluids so that the pit liner will not be damaged with heavy equipment.

Wildlife	Screen water suction hoses to exclude fish and other aquatic life when necessary. Pit fencing will be 6' to 8' in height to prevent deer and elk as well as other wildlife from entering the pit. After the rig has been moved off location, bird netting will be placed over the pit to prevent birds from entering the pit area. The pit will remain fenced until it has dried enough to be backfilled. Areas designated as Sensitive Wildlife Habitat will be constructed and operated in compliance with the requirements of the COGCC Rule 1203, General Operating Requirements in Sensitive Wildlife Habitat and Restricted Surface Occupancy Areas unless the Director has granted a waiver from one of these requirements. Enforce policies that protect wildlife such as prohibiting firearms and dogs from all project-related areas and by educating employees on wildlife protection practices. When necessary, fence livestock and wildlife out of newly reclaimed areas until reclamation standards have been met and plants are capable of sustaining grazing and trampling. Dispose of trash appropriately. Instruct employees not to feed wildlife or otherwise attract them to project sites. Instruct employees and contractors to drive at safe speeds and to be alert to wildlife and livestock on roadways whenever driving for a project-related reason.
General Housekeeping	The location and access roads will be kept orderly and as clean as practicable at all times. All garbage and trash will be put in a trash container. The container will be periodically emptied at an approved disposal site. A portable latrine will be provided for human wastes, and wastes will be pumped from portable toilets and hauled to an approved sanitation facility. Sewage will not be buried on location.
Material Handling and Spill Prevention	Cuttings: Cuttings and pit liners will be disposed of at a permitted disposal facility. Pit liners are removed following removal of the dry cuttings. They are disposed of at a solid waste disposal facility. Soil testing under the removed liner area will be conducted prior to backfilling the pit area according to the Colorado Oil & Gas Conservation Commission's 900 series rules. Promptly report spills to agencies as required. Store emergency spill response equipment at centralized locations so that it is readily available in the event of a spill. Instruct all employees on the aspects of the spill prevention and response plan relevant to their position at the start of their employment.
Interim Reclamation	The portions of the cleared well site not needed for operational and safety purposes or future drilling will be reclaimed and re-vegetated. Pits will be reclaimed to a natural condition that blends with the rest of the reclaimed pad area in a manner that protects soil stability and provides for protection from spills, leaks, and contamination, as described above. Pits will be reclaimed to a natural condition that blends with the rest of the reclaimed pad area in a manner that protects soil stability and provides for protection from spills, leaks, and contamination, as described above.
Planning	Conduct wildlife and vegetation surveys to determine presence of any Threatened, Endangered, or sensitive species or their habitat in the project vicinity. Take appropriate protection measures as indicated by the results of these surveys. When siting access roads, pads, pipelines, and facilities consider impacts to wildlife habitat, agriculture, water resources, recreation, and visual resources. Consider visual impact of cut and fill slopes. Minimize the number, size and distribution of well pads as practicable. Locate pads and facilities near existing roads and pipelines where possible. Locate, design, and paint aboveground facilities to minimize the impact to visual resources.
Storm Water/Erosion Control	Stormwater management practices will be utilized as appropriate and will be identified in the stormwater management plan.
Site Specific	Drilling pits will be lined with an impervious liner. Fluids contained at a well site during drilling and completion operations will have secondary containment. Follow the site specific conditions of approval contained in the permit documents received from the White River National Forest.

Final Reclamation	<p>Control fugitive dust that could result from reclamation activities. Control noxious weeds by following project specific weed management plans. Use locally adapted seed in reclamation efforts whenever available and approved by the surface owner. Prepare the seedbed appropriately prior to seeding an area. Replace rocks on surface at density of surrounding areas. Seed at times of the year when germination and success is highest. Conduct stormwater inspections and document regrowth of vegetation on disturbed areas. Correct problems areas as they are noted. Remove all unnecessary equipment from project sites during the production phase. Whenever possible, complete final reclamation activities so that seeding occurs during the first optimal season following plugging and abandonment of wells and closure of facilities. Remove and properly dispose of degraded or unneeded silt fencing and other erosion control materials in a timely fashion. Remove unneeded fencing (e.g., cattle guards, perimeter fencing, etc.) on project sites. Replace degraded or hazardous fencing as needed. Apply weed free mulch and crimp or otherwise treat the mulch so that it remains in place thus preserving seeds and retaining moisture to enhance seed germination and seedling survival. When necessary, fence livestock and wildlife out of newly reclaimed areas until reclamation standards have been met and plants are capable of sustaining grazing and trampling. Keep records of inspections for state inspectors to review when requested.</p>
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Total: 10 comment(s)