

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:

400283742

Date Received:

01/30/2013

Oil and Gas Location Assessment

☐ New Location

☒ Amend Existing Location Location#: 316367

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:

316367

Expiration Date:

04/28/2016

☒ 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: 49100

Name: KOCH EXPLORATION COMPANY, LLC

Address: 950 17TH STREET #1900

City: DENVER State: CO Zip: 80202

3. Contact Information

Name: Natalie Naeve

Phone: (303) 325-2565

Fax: (303) 325-2599

email: natalie.naeve@kochind.com

4. Location Identification:

Name: AHU WYATT

Number: 25-43 SWD

County: RIO BLANCO

QuarterQuarter: SWSE Section: 25 Township: 2N Range: 97W Meridian: 6 Ground Elevation: 5819

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: 441 feet FSL, from North or South section line, and 1959 feet FEL, from East or West section line.

Latitude: 40.106933 Longitude: -108.224175 PDOP Reading: 1.2 Date of Measurement: 04/30/2012

Instrument Operator's Name: Robert L. Kay

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

Special Purpose Pits: <input type="text" value="0"/>	Drilling Pits: <input type="text" value="0"/>	Wells: <input type="text" value="3"/>	Production Pits: <input type="text" value="0"/>	Dehydrator Units: <input type="text" value="0"/>
Condensate Tanks: <input type="text" value="0"/>	Water Tanks: <input type="text" value="9"/>	Separators: <input type="text" value="1"/>	Electric Motors: <input type="text" value="0"/>	Multi-Well Pits: <input type="text" value="0"/>
Gas or Diesel Motors: <input type="text" value="0"/>	Cavity Pumps: <input type="text" value="0"/>	LACT Unit: <input type="text" value="0"/>	Pump Jacks: <input type="text" value="0"/>	Pigging Station: <input type="text" value="0"/>
Electric Generators: <input type="text" value="0"/>	Gas Pipeline: <input type="text" value="1"/>	Oil Pipeline: <input type="text" value="0"/>	Water Pipeline: <input type="text" value="1"/>	Flare: <input type="text" value="0"/>
Gas Compressors: <input type="text" value="0"/>	VOC Combustor: <input type="text" value="0"/>	Oil Tanks: <input type="text" value="3"/>	Fuel Tanks: <input type="text" value="0"/>	

Other: Disposal Pump House

6. Construction:

Date planned to commence construction: 07/01/2013 Size of disturbed area during construction in acres: 1.66
Estimated date that interim reclamation will begin: 10/01/2013 Size of location after interim reclamation in acres: 0.78
Estimated post-construction ground elevation: 5819 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: _____ Phone: _____
Address: _____ Fax: _____
Address: _____ Email: _____
City: _____ State: _____ Zip: _____ 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: 20100031 ☐ 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: 4350, public road: 918, above ground utility: 208,
railroad: 27984, property line: 655

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: 53 - Moyerson stony clay loam, 15 to 65 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: 450, water well: 5333, depth to ground water: 14
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:

New disturbed area is approx. 0.6 acres. As the proposed location will be drilled on an existing location, some of the surface is already disturbed (0.4 acres). Total disturbed surface will be approx 1 acre. The nearest buildings are 4350' to the northwest of the proposed location; they are service shops for the Wray Gulch Landfill. Nearest constructed water well is permit #75050, receipt #3640335, located in the SESE Sec 36 T2N R97W. The well is a gravel pit, with record of water at 14'. There is an existing well 51' to the NW from the proposed new AHU Wyatt 25-43 SWD location (existing well is AHU Wyatt 25-43, API 05-103-10374). Related forms for the new disposal well include a Form 2, along with Forms 31, 33, and 26 as required for UIC application.

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

Signed: _____ Date: 01/30/2013 Email: natalie.naeve@kochind.com
Print Name: Natalie L. Naeve Title: Operations Engineer

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: Matthew Lee Director of COGCC Date: 4/29/2013

**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.

SITE SPECIFIC COAs:

Notify the COGCC 48 hours prior to start of pad construction, rig mobilization, spud, and start of hydraulic stimulation operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).

Operator must submit an as-built drawing (plan view and cross-sections) of the SWD injection well pad and associated equipment within 30 calendar days of construction.

Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface or buried pipelines.

Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations (as described on the BMPs tab and shown on the Construction Layout Drawings attachment); including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.

The moisture content of any freshwater generated cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, if the drill cuttings are to be left onsite, they must also meet the applicable standards of table 910-1.

If the well is to be hydraulically stimulated, flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline, storage vessel, or lined pit (only if an amended Form 2A has been submitted/approved and a Form 15 Earthen Pit Permitted has been submitted/approved) located on the well pad; or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.

Operator will use qualified containment devices for all appropriate chemicals/hazardous materials used onsite during the operation of the injection well.

All tanks and aboveground vessels containing fluids must have secondary containment structures. All secondary containment structures/areas must be lined. Operator must ensure a minimum of 110 percent secondary containment for the largest structure containing fluids within each bermed area the facility during operations. The construction and lining of the secondary containment structures/areas shall be supervised by a professional engineer or their agent.

Operator shall equip and maintain on all tanks an electronic level monitoring device.

Operator shall install a steel containment ring around tank batteries to provide secondary containment and install a synthetic liner that underlies the entire battery and is keyed into the top of the containment ring.

Approval of this Form 2A does not authorize operator the right to inject. Authorization to inject into the selected Formation(s) requires approval of both the Form 31 and the Form 33.

Before hydraulic stimulation of the each well, operator shall collect a groundwater sample from the Ohio Creek and analyze for total dissolved solids (TDS); submit laboratory analytical results to denise.onyskiw@state.co.us and arthur.koelspell@state.co.us.

Attachment Check List

Att Doc Num	Name
2106557	CORRESPONDENCE
400283742	FORM 2A SUBMITTED
400362332	NRCS MAP UNIT DESC
400362344	SURFACE OWNER CONSENT
400362357	ACCESS ROAD MAP
400362360	LOCATION DRAWING
400362497	REFERENCE AREA MAP
400362498	REFERENCE AREA PICTURES
400362500	LOCATION PICTURES
400362501	CONST. LAYOUT DRAWINGS
400362514	EQUIPMENT LIST
400376673	HYDROLOGY MAP

Total Attach: 12 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Final Review	Operator provided revised disturbance acreages and confirmed facilities listed include existing equipment. Location Drawing accepted with no changes.	4/26/2013 4:22:31 PM
Final Review	ON HOLD. Location size and location drawings do not adequately account for existing disturbance. Not clear if facilities inventory includes existing equipment. Included operator on internal correspondence to resolve.	4/18/2013 10:43:15 AM
Permit	One of the 3 wells for this location is an AL Tom Brown permit.	4/18/2013 8:55:38 AM
Final Review	Placed ON HOLD to administratively add AL well permit 05-103-10415 to Location 316367 and remove formerly associated Location 398785 from database. This Location (316367) will have 3 APIs related to it.	4/18/2013 8:08:12 AM
Permit	No LGD or public comments. Final Review--passed.	4/8/2013 11:46:38 AM
Permit	Oper. corrected lease information. Surface owner is not mineral owner. Right to construct is SUA.	4/2/2013 10:39:23 AM
OGLA	Initiated/Completed OGLA Form 2A review on 03-28-13 by Dave Kubeczko; requested acknowledgement of fluid containment, spill/release BMPs, tank berming, flowback to tanks, cuttings low moisture content, secondary containment, tank level monitoring, and injection formation TDS sampling COAs on Form 2A on 03-28-13; received acknowledgement of COAs from operator on 04-08-13; changed disturbed area to 1.66 acres; changed to sensitive area due to close SW (450') and shallow GW (14' bgs); passed by CPW on 02-22-13 with operator agreed to BMPs acceptable; passed OGLA Form 2A review on 04-08-13 by Dave Kubeczko; fluid containment, spill/release BMPs, tank berming, flowback to tanks, cuttings low moisture content, secondary containment, tank level monitoring, and injection formation TDS sampling COAs.	3/28/2013 2:34:12 PM

DOW	<p>The operator has agreed to the following BMPs:</p> <p>1.Where drilling and completion activities must occur in mule deer critical winter range, conduct these activities outside the time period from December 1 through April 15.</p> <p>2.Restrict work-over rig activities to between the hours of 10:00 a.m. and 3:00 p.m. from December 1 to April 15 when possible, to accommodate mule deer critical winter range.</p> <p>3.Concentrate post-development water truck delivery trips to between the hours of 10:00 a.m. and 3:00 p.m. from December 1 to April 15 when possible, to accommodate mule deer critical winter range.</p> <p>4.Follow company guidelines to minimize wildlife mortality from vehicle collisions on roads.</p> <p>5.Install and utilize bear-proof dumpsters and trash receptacles for all food-related trash on location, following COGCC Rule 1204 a-1.</p> <p>Jacob Davidson, 15:00, 3-13-2013</p>	3/13/2013 3:00:36 PM
Permit	Corrected dist. to utility to 208' to agree w/ loc. drawing. Corrected dist. to prop. line to 655'. Corrected right to construct to "oil and gas lease". Checked "executor".	2/14/2013 2:34:44 PM
Permit	Location is in SWH:mule deer critical range. CPW comment period reset from 2/6/2013.	2/7/2013 8:49:03 AM
Permit	Operator made corrections. Ready to pass completeness.	1/31/2013 10:55:05 AM
Permit	<p>Returned to draft.</p> <p>Missing plugging bond number.</p> <p>Requested confirmation on whether the surface/mineral owner signed the lease. According to the associated APD, O/G lease was signed. Box should be checked if so.</p> <p>Hydrology map will not open.</p>	1/31/2013 8:54:56 AM

Total: 12 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Storm Water/Erosion Control	A Master Stormwater Management Plan, as required by the CDPHE, is in place for the White River Dome field and includes the subject location. The Plan details BMPs related to storm water management and erosion control that will be implemented during construction and interim reclamation. A Post-Construction Stormwater Plan is in place and will be implemented after interim reclamation is complete.
Wildlife	<ol style="list-style-type: none">1.Where drilling and completion activities must occur in mule deer critical winter range, conduct these activities outside the time period from December 1 through April 15.2.Restrict work-over rig activities to between the hours of 10:00 a.m. and 3:00 p.m. from December 1 to April 15 when possible, to accommodate mule deer critical winter range.3.Concentrate post-development water truck delivery trips to between the hours of 10:00 a.m. and 3:00 p.m. from December 1 to April 15 when possible, to accommodate mule deer critical winter range.4.Follow company guidelines to minimize wildlife mortality from vehicle collisions on roads.5.Install and utilize bear-proof dumpsters and trash receptacles for all food-related trash on location, following COGCC Rule 1204 a-1.
Material Handling and Spill Prevention	KEC operates certain natural gas production wells in Rio Blanco County Colorado that are subject to SPCC planning requirements because they have oil storage capacity greater than 1,320 gallons (approx. 31 bbl). For those wells that meet or exceed the threshold storage quantities (referred to henceforth as the "SPCC wells") KEC is required to develop and implement an SPCC Plan. This field-wide SPCC Plan has been developed for the KEC SPCC wells that together are referred to as the Rio Blanco County Well Sites, Colorado in response to the regulations listed above.

Total: 3 comment(s)