

**FORM
2A**Rev
08/13**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:

400492129

Date Received:

10/15/2013

Oil and Gas Location Assessment☒ New Location ☐ Refile ☐ Amend Existing Location Location#: _____

Submit signed original form. This Oil and Gas Location Assessment is to be submitted to the COGCC for approval prior to any ground disturbance activity associated with oil and gas operations. Approval of this Oil and Gas Location 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. Please see the COGCC website at <http://cogcc.state.co.us/> for all accompanying information pertinent this Oil and Gas Location Assessment.

Location ID:

Expiration Date:

☒ This location assessment is included as part of a permit application.**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.

OperatorOperator Number: 47120Name: KERR-MCGEE OIL & GAS ONSHORE LPAddress: P O BOX 173779City: DENVER State: CO Zip: 80217-3779**Contact Information**Name: Cheryl LightPhone: (720) 929-6461Fax: (720) 929-7461email: cheryl.light@anadarko.com**RECLAMATION FINANCIAL ASSURANCE**

- ☒ Plugging and Abandonment Bond Surety ID: 20010124 ☐ Gas Facility Surety ID: _____
- ☐ Waste Management Surety ID: _____

LOCATION IDENTIFICATIONName: PARAGONNumber: 9N-31HZCounty: WELDQuarterQuarter: SESE Section: 6 Township: 1N Range: 65W Meridian: 6 Ground Elevation: 4975

Define a single point as a location reference for the facility location. When the location is to be used as a well site then the point shall be a well location.

Footage at surface: 422 feet FSL from North or South section line330 feet FEL from East or West section lineLatitude: 40.074414 Longitude: -104.698320PDOP Reading: 1.9 Date of Measurement: 09/27/2012Instrument Operator's Name: ALAN HNIZDO

RELATED REMOTE LOCATIONS

(Enter as many Related Locations as necessary. Enter the Form 2A document # only if there is no established COGCC Location ID#)

This proposed Oil and Gas Location is:

LOCATION ID # FORM 2A DOC #

FACILITIES

Indicate the number of each type of oil and gas facility planned on location

Wells	<u>3</u>	Oil Tanks	<u>26</u>	Condensate Tanks	<u>0</u>	Water Tanks	<u>6</u>	Buried Produced Water Vaults	<u>0</u>
Drilling Pits	<u>0</u>	Production Pits	<u>0</u>	Special Purpose Pits	<u>0</u>	Multi-Well Pits	<u>0</u>	Temporary Large Volume Above Ground Tanks	<u>0</u>
Pump Jacks	<u>3</u>	Separators	<u>6</u>	Injection Pumps	<u>0</u>	Cavity Pumps	<u>0</u>		
Gas or Diesel Motors	<u>0</u>	Electric Motors	<u>0</u>	Electric Generators	<u>0</u>	Fuel Tanks	<u>0</u>	Gas Compressors	<u>0</u>
Dehydrator Units	<u>0</u>	Vapor Recovery Unit	<u>3</u>	VOC Combustor	<u>6</u>	Flare	<u>6</u>	LACT Unit	<u>1</u>
								Pigging Station	<u>0</u>

OTHER FACILITIES

Other Facility Type

Number

OIL PIPELINE	<u>1</u>
FLOWLINES	<u>4</u>
SKID-MOUNTED 500 BARREL FRAC TANKS	<u>2</u>
GAS PIPELINE	<u>1</u>

Per Rule 303.b.(3)C, description of all oil, gas, and/or water pipelines:

These wells flow into the Paragon 9N-31HZ tank battery on this same location.

Please see Comments section for flowline descriptions. Description will not fit in space provided.

CONSTRUCTION

Date planned to commence construction: 01/14/2014 Size of disturbed area during construction in acres: 15.00

Estimated date that interim reclamation will begin: 04/25/2014 Size of location after interim reclamation in acres: 2.25

Estimated post-construction ground elevation: 4975

DRILLING PROGRAM

Will a closed loop system be used for drilling fluids: Yes

Is H₂S anticipated? No

Will salt sections be encountered during drilling: No

Will salt based mud (>15,000 ppm Cl) be used? No

Will oil based drilling fluids be used? No

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE

Drilling Fluids Disposal Method: Recycle/reuse

Cutting Disposal: _____

Cuttings Disposal Method: Other

Other Disposal Description:

Please see Comments section. Disposal description will not fit in space provided.

Beneficial reuse or land application plan submitted? Yes

Reuse Facility ID: _____ or Document Number: _____

Centralized E&P Waste Management Facility ID, if applicable: 149021

SURFACE & MINERALS & RIGHT TO CONSTRUCT

Name: PARAGON FARMS LLC

Phone: 303-682-1141

Address: 10220 CR 1

Fax: _____

Address: _____

Email: _____

City: LONGMONT State: CO Zip: 80504

Surface Owner: ☒ Fee ☐ State ☐ Federal ☐ Indian

Check all that apply. The Surface Owner: ☒ is the mineral owner

☒ is committed to an oil and Gas Lease

☐ has signed the Oil and Gas Lease

☐ is the applicant

The Mineral Owner beneath this Oil and Gas Location is: ☒ Fee ☐ State ☐ Federal ☐ Indian

The Minerals beneath this Oil and Gas Location will be developed from or produced to this Oil and Gas Location: Yes

The right to construct this Oil and Gas Location is granted by: Surface Use Agreement

Surface damage assurance if no agreement is in place: _____ Surface Surety ID: _____

Date of Rule 306 surface owner consultation 01/11/2013

CURRENT AND FUTURE LAND USE

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

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

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 420 Feet
Building Unit: 2066 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 2337 Feet
Above Ground Utility: 745 Feet
Railroad: 5280 Feet
Property Line: 330 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of nearest Well or edge of nearest Production Facility to nearest of each cultural feature as described in Rule 303.b.(3)A.
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: ☐ Buffer Zone
☐ Exception Zone
☐ Urban Mitigation Area

- Buffer Zone - as described in Rule 604.a.(2), within 1,000' of a Building Unit.
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: _____

SOIL

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.org/> 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: 72 VONA LOAMY SAND, 0 TO 3 PERCENT SLOPES

NRCS Map Unit Name: _____

NRCS Map Unit Name: _____

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: 11/09/2012

List individual species: western wheatgrass- *Pascopyrum smithii*, cheatgrass- *Anisantha tectorum*, copper mallow- *Sphaeralcea coccinea*, Russian thistle- *Salsola australis*, Jim Hill mustard- *Sisymbrium altissimum*, red root pigweed- *Amaranthus retroflexus*

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): Prairie Dog Complex-Western Wheatgrass Mixed Grass/Mixed Forb Rangeland

WATER RESOURCES

Is this a sensitive area: ☐ No ☒ Yes

Distance to nearest

downgradient surface water feature: 318 Feet

water well: 989 Feet

Estimated depth to ground water at Oil and Gas Location 43 Feet

Basis for depth to groundwater and sensitive area determination:

Basis for depth to groundwater: Identified water well (Permit #2091) located approximately 989' East of the proposed oil and gas location. Depth to groundwater at water well is 38' and the water well is at an elevation of approximately 4970'.
Sensitive area determination: Surface water feature is less than 1000' from proposed location.

Is the location in a riparian area: ☒ No ☐ Yes

Was an Army Corps of Engineers Section 404 permit filed ☒ No ☐ Yes If yes attach permit.

Is the location within a Rule 317B Surface Water Supply Area buffer No
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: _____

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 318A

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- ☐ Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- ☐ Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- ☐ Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- ☐ Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

RULE 502.b VARIANCE REQUEST

☐ Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number _____

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments	<p>OTHER DISPOSAL DESCRIPTION: Drilling fluids disposal: KMG will reuse water-based drilling fluids to the maximum extent at which point they will either be land applied or taken to a licensed, commercial disposal site; decided upon based off of laboratory analysis of fluids. Cuttings disposal: If the surface owner authorizes, and if it is feasible for this location at the time of drilling, water-based cuttings will be disposed of onsite using bioremediation/solidification product. If the surface owner does not authorize onsite disposal and/or it is not feasible for this location at the time of drilling, water-based cuttings will be disposed of using a Centralized E&P Waste Management facility or a private spread field.</p> <p>FLOWLINE DESCRIPTION: The quantity of flow lines will be equal to the quantity of wells whose flow lines route to the production facility location. During production flow direction in the flow lines is from the well head to the production facility. The size of flow lines is typically 2". Flow lines are constructed from steel pipe, are buried, and vary in length generally equaling the distance between the well heads and the tank battery (typically ranging from 75' to 3500" feet).</p> <p>Fuel gas supply lines will also be installed (one per well) from the well head to the production facility. During operation flow direction in the supply lines will be from the production facility to the well head. The size of the supply lines is typically 1". Supply lines are constructed from poly or steel pipe, buried, and vary in length generally equaling the distance between the well heads and the tank battery (typically ranging from 75' to 3500" feet).</p> <p>Gas lift lines are also occasionally installed (one per well) from the well head to the production facility. During operation flow direction in the gas lift lines will be from the production facility to the well head. The size of the gas lift lines is typically 2". Gas lift lines are constructed from steel pipe, buried, and vary in length generally equaling the distance between the well heads and the tank battery (typically ranging from 75' to 3500" feet).</p>
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I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Signed: _____ Date: 10/15/2013 Email: djregulatory@anadarko.com

Print Name: Ronett Powers Title: Regulatory Analyst II

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

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.

<u>COA Type</u>	<u>Description</u>

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	This pad location is located in a rural rangeland area. The nearest building unit is located 2066' away.

Total: 1 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400492129	FORM 2A SUBMITTED
400494017	ACCESS ROAD MAP
400494020	LOCATION DRAWING
400494021	LOCATION PICTURES
400494022	MULTI-WELL PLAN
400494026	SURFACE AGRMT/SURETY
400494027	NRCS MAP UNIT DESC
400494028	WELL LOCATION PLAT
400494030	REFERENCE AREA PICTURES
400494031	HYDROLOGY MAP
400494074	WASTE MANAGEMENT PLAN

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Associated wells not listed in related doc. Back to draft.	10/16/2013 3:01:23 PM

Total: 1 comment(s)