

**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:

400428523

Date Received:

Oil and Gas Location Assessment☐ New Location ☐ Refile ☒ Amend Existing Location Location#: 324491

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:

324491

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.

Operator

Operator Number: 77330

Name: SG INTERESTS I LTD

Address: 1485 FLORIDA RD #C202

City: DURANGO State: CO Zip: 81301

Contact Information

Name: Catherine Dickert

Phone: (970) 385-0696

Fax: (970) 385-0636

email: cdickert@sginterests.com

RECLAMATION FINANCIAL ASSURANCE

- ☒ Plugging and Abandonment Bond Surety ID: 20030098 ☐ Gas Facility Surety ID: _____
- ☐ Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: Federal 11-90-15

Number: 1

County: GUNNISON

QuarterQuarter: SWSE Section: 15 Township: 11S Range: 90W Meridian: 6 Ground Elevation: 7851

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: 549 feet FSL from North or South section line

1528 feet FWL from East or West section line

Latitude: 39.094250 Longitude: -107.437810

PDOP Reading: 3.5 Date of Measurement: 12/09/2009

Instrument Operator's Name: David Nicewicz

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	4	Oil Tanks		Condensate Tanks	1	Water Tanks	6	Buried Produced Water Vaults	
Drilling Pits	4	Production Pits		Special Purpose Pits		Multi-Well Pits		Temporary Large Volume Above Ground Tanks	
Pump Jacks		Separators	4	Injection Pumps		Cavity Pumps			
Gas or Diesel Motors		Electric Motors		Electric Generators		Fuel Tanks		Gas Compressors	1
Dehydrator Units		Vapor Recovery Unit		VOC Combustor		Flare	3	LACT Unit	
								Pigging Station	

OTHER FACILITIES

Other Facility Type

Number

water transfer pump

1

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

There will be buried steel gas and produced water pipelines on the well pad. During the well completion phase, temporary surface poly pipelines may be used. These pipelines will be located on the well pad and along the access road. There will not be any oil pipelines.

CONSTRUCTION

Date planned to commence construction: 06/02/2014 Size of disturbed area during construction in acres: 5.50

Estimated date that interim reclamation will begin: 09/15/2014 Size of location after interim reclamation in acres: 2.50

Estimated post-construction ground elevation: 7850

DRILLING PROGRAM

Will a closed loop system be used for drilling fluids: No

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: Commercial Disposal

Cutting Disposal: OFFSITE

Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

Beneficial reuse or land application plan submitted? No

Reuse Facility ID: or Document Number:

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

SURFACE & MINERALS & RIGHT TO CONSTRUCT

Name: USDA Forest Service

Phone: (970) 527-4131

Address: 403 N. Rio Grande Avenue

Fax: (970) 527-4151

Address: PO Box 1030

Email: rztaylor@fs.fed.us

City: Paonia State: CO Zip: 81428

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: oil and gas lease

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

Date of Rule 306 surface owner consultation _____

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): existing well pad

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: 5280 Feet
Building Unit: 5280 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 1780 Feet
Above Ground Utility: 5280 Feet
Railroad: 5280 Feet
Property Line: 2730 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: Weed-Herm complex, 0-25% 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: 11/13/2007

List individual species: sage, mountain mahogany, grasses

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): no new ground disturbance, cleared level well pad

WATER RESOURCES

Is this a sensitive area: ☒ No ☐ Yes

Distance to nearest

downgradient surface water feature: 2585 Feet

water well: 7824 Feet

Estimated depth to ground water at Oil and Gas Location 60 Feet

Basis for depth to groundwater and sensitive area determination:

SEO Permit #288791 Well Construction and Test Report indicates water depth at 60'. Adjacent well permit #288817 indicates water at 245'. These wells are about 1 1/4 mile to the SW of the 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 609

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

The location is being amended to include three additional gas wells; Federal 11-90-15 #2, Federal 11-90-15 #3, and Federal 11-90-15 #4. We held an onsite inspection of this location on March 15, 2011. The location was constructed under a Form 2A that was issued prior to 2009 (02/20/2008, approved for the Federal 11-90-15 #1).

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

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.

COA Type

Description

--	--

Best Management Practices

No BMP/COA Type

Description

1	Planning	Conduct wildlife and vegetation surveys to determine the 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.
2	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.
3	Wildlife	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. Dispose of trash appropriately in bear-proof dumpsters (Rule 1204 a(1)). 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.
4	Storm Water/Erosion Control	A stormwater management plan has been developed for this well site. Stormwater management practices will be utilized as appropriate and have been identified in the stormwater management plan. The permit number is COR039711.

5	Material Handling and Spill Prevention	<p>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.</p> <p>Material Safety Data Sheets (MSDS) for all chemicals and hazardous materials that are used during the drilling, completion, and producing operations will be maintained as per 29 CFR 1910.1200(g). Any petroleum product or other spills will be cleaned up immediately and the material will be hauled to an approved facility. The operator will prevent gasoline, diesel fuel, oil, grease, or any other petroleum products and drilling fluids from migrating off the location or from entering any live stream or riparian area. A spill kit will be available on site during completion and drilling operations. Fuels and lubricants will be transported by fuels distributors and will be stored in facilities specifically designed for that purpose.</p> <p>Drilling fluids will be disposed of at a permitted commercial disposal facility.</p> <p>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. These fluids will likely be trucked and disposed of at a commercial disposal facility.</p> <p>Reserve pits will be lined with an impervious liner. This liner will have a minimum thickness of twenty-four (24) mils. The liner will cover the bottom and interior sides of the pit with the edges secured with at least a twelve (12) inch deep anchor trench around the pit perimeter. The anchor trench will be designed to secure and prevent slippage or damage to the liner materials. The area under the pit over which the liner is laid will be free of rocks and other objects that could puncture the liner. A minimum of two feet of free board will be maintained between the maximum fluid level and the top of the pits. The pits will be designed to exclude all surface runoff and will be constructed in the cut portion of the well pad. Back slopes will be 2:1 or less. The lined reserve pit or cuttings pit will be fenced on three sides with woven wire during drilling operations and the fourth side fenced immediately after the rig has been moved off location. 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.</p>
6	Drilling/Completion Operations	<p>Drilling pits will be lined with an impervious liner. Fluids contained at a well site during drilling and completion operations will have secondary containment according to SG Interests' integrated spill plan. Maintain wildlife fencing and netting as needed.</p> <p>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 is 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 in order to exclude wildlife and birds. Limit days and hours of operations where practical to minimize disturbance resulting from activity and traffic. 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. Limit vehicle and equipment parking to designated parking areas. Screen water suction hoses to exclude fish and other aquatic life when necessary. Reduce noise by using effective sound dampening devices and/or techniques as needed. Use centralized fracturing facilities where water is stored for reuse between operations. Connect water storage facilities to well sites with temporary pipelines to reduce truck traffic. Use produced water as much as possible in fracturing operations to reduce use of fresh water.</p>
7	Interim Reclamation	<p>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. All areas not needed for long-term operations will be recontoured and seeded as soon as practicable (unless this area is needed for drilling additional wells).</p>

8	Final Reclamation	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 (as per USDA FS). 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 re-growth of vegetation on disturbed areas. Correct problems as they are noted. Verify soil condition with testing. Remediate spills on disturbed areas prior to reclamation. 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. 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. Control weeds in areas surrounding reclamation areas when possible to prevent recolonization of recently reclaimed areas by weed species. 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. Monitor reclamation efforts as needed and make corrections when necessary. Keep records of inspections for state inspectors to review when requested.
---	-------------------	--

Total: 8 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400428791	LOCATION PICTURES
400428818	HYDROLOGY MAP
400428831	ACCESS ROAD MAP
400448476	NRCS MAP UNIT DESC
400475173	LOCATION DRAWING
400481944	MULTI-WELL PLAN
400502126	REFERENCE AREA PICTURES
400502135	REFERENCE AREA MAP
400506249	CONST. LAYOUT DRAWINGS

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)