

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:

400362704

Date Received:

03/11/2013

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:

435615

Expiration Date:

12/27/2016

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: 10409

Name: PEAKVIEW OPERATING COMPANY, LLC

Address: 216 16TH STREET, SUITE 1450

City: DENVER State: CO Zip: 80202

3. Contact Information

Name: Terry Hoffman

Phone: (720) 542-8287

Fax: ()

email: terry@rockymountainpermitting.com

4. Location Identification:

Name: Grassy Creek Number: 13-26

County: ROUTT

Quarter: NWSW Section: 26 Township: 6N Range: 87W Meridian: 6 Ground Elevation: 7142

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: 2009 feet FSL, from North or South section line, and 998 feet FWL, from East or West section line.

Latitude: 40.446943 Longitude: -107.121919 PDOP Reading: 1.8 Date of Measurement: 10/23/2012

Instrument Operator's Name: G.R. Dowling

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

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

Other: 1-Heater Treater

6. Construction:

Date planned to commence construction: 05/01/2014 Size of disturbed area during construction in acres: 2.81
 Estimated date that interim reclamation will begin: 05/01/2015 Size of location after interim reclamation in acres: 2.06
 Estimated post-construction ground elevation: 7153 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: Ghost Ranch Phone: _____
 Address: 259 I Street Fax: _____
 Address: _____ Email: _____
 City: Los Banos State: CA Zip: 93635 Date of Rule 306 surface owner consultation: 11/11/2012

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: 20120026 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: 3638, public road: 2895, above ground utility: 3363,
 railroad: 5280, property line: 998

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 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: 50F Roult loam, warm, 25 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: 10/23/2012
List individual species: Brushy Loam, Grama, Wheatgrass, Sage, and Scrub Oak

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: 304 , water well: 1354 , depth to ground water: 100
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:

There are no railroads within one mile. The nearest water well is identified by well permit number 240785 and is located ±1,354' NW of the well location. This well was used to determine depth to ground water at 100'.

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.
Signed: _____ Date: 03/11/2013 Email: terry@rockymountainpermitting.com
Print Name: Terry Hoffman Title: Permit Agent

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: 12/28/2013

**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.

Description

GROUNDWATER BASELINE SAMPLING COA:

Prior to drilling, operator shall sample the two (2) closest domestic water wells or and one (1) nearby spring located within a one (1) mile radius of the proposed oil and gas location. If possible, the water wells and springs selected should be on opposite sides of the oil and gas location not exceeding a one (1) mile radius. If water wells or springs on opposite sides of the oil and gas location cannot be identified, then the two (2) closest wells and the one (1) spring within a one (1) mile radius of the oil and gas location shall be sampled. The sample location shall be surveyed in accordance with Rule 215. Initial baseline testing shall include: field observations (turbidity, odor, sample location description); laboratory analyses will include pH; alkalinity; specific conductance; major cations/anions (chloride, fluoride, sulfate, sodium); total dissolved solids (TDS); nutrients (nitrates, nitrites); benzene, toluene, ethylbenzene, total xylenes (BTEX); gasoline range organics (GRO); diesel range organics (DRO); total petroleum hydrocarbons (TPH); polyaromatic hydrocarbons (PAH's [including benzo(a)pyrene]); and metals (arsenic, barium, calcium, chromium, iron, magnesium, selenium). Sampling shall be performed by qualified individuals using methods consistent with commonly accepted environmental sampling procedures. Field observations such as pH, temperature, specific conductance, odor, water color, sediment, bubbles, and effervescence shall also be included.

After 90 days, but less than 180 days of completion of the first proposed well a "post-completion" test shall be performed for the same analytical parameters listed above and repeated once within 60 to 72 months. If no significant changes from the baseline have been identified after the 60 to 72 month test, no further testing shall be required. Additional "post-completion" test(s) may be required if changes in water quality are identified during follow-up testing. The Director may require further water well sampling at any time in response to complaints from water well owners.

If free gas or a methane concentration level greater than 1 mg/l is detected in a water quality testing well, gas compositional analysis, and stable isotopes of both the carbon and hydrogen isotopes of methane shall be performed to determine gas type (thermogenic, biogenic or a mixture).

Copies of all test results described above shall be provided to the COGCC OGLA Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us); the COGCC Environmental Data Analyst (Arthur Koepsell; email arthur.koepsell@state.co.us), and the landowner where the water quality testing well is located within three (3) months of collecting the samples used for the test. The analytical data and surveyed well locations shall also be submitted to the COGCC in an electronic data deliverable format.

Documented refusal to grant access by well owner or surface owner (for surface water and spring sampling) shall not constitute a violation of this COA.

GENERAL SITE-SPECIFIC COAs:

Notify the COGCC 48 hours prior to start of pad/access road 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 ensure 110 percent secondary containment for any volume of fluids (excluding freshwater) contained at well site during drilling and completion operations; 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.

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

Operator shall design and construct the access road utilizing all available soils, geologic, landslide, and hydrogeologic information. The road should also follow any applicable BLM construction standards. Operator shall notify the COGCC and the Routt County LGD 48 hours prior to start of access road and pad construction using Form 42 (the appropriate COGCC individuals will automatically be email notified, Operator will need to notify the Routt County LGD for road and pad construction, cbrookshire@co.routt.co.us).

During all construction, drilling, and completion phases at this location, operator shall be monitoring the wildfire potentials daily and have the appropriate additional equipment and measures in place. This may include smoking bans and additional fire fighting equipment. Operator shall consult with the NFS as necessary.

The access road will be constructed as to not allow any sediment to migrate from the access road to nearby surface water or any drainages leading to surface water.

Strategically apply fugitive dust control measures, including enforcing established speed limits on private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.

The moisture content of any freshwater generated drill cuttings in a cuttings trench, area, 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 freshwater generated drill cuttings are to be onsite, they must also meet the applicable standards of table 910-1.

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.

Berms or other containment devices shall be constructed to be sufficiently impervious (preferably corrugated steel with poly liner) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.

TEMPORARY SURFACE PIPELINE COAs:

Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service.

Operator must implement best management practices to contain any unintentional release of fluids along all portions of the surface pipeline route where temporary pumps and other necessary equipment are located.

Operator must routinely inspect the entire length of the surface pipeline to ensure integrity.

Operator must ensure 110 percent secondary containment for any potential volume of fluids that may be released from the surface pipeline at all stream, intermittent stream, ditch, and drainage crossings.

Operator will utilize, to the extent practical, all existing access and other public roads, and/or existing pipeline right-of-ways, when placing/routing the surface pipelines. This will reduce surface disturbance and fragmentation of wildlife habitat in the area.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2106619	LGD CONSULTATION
2106648	CORRESPONDENCE
2106650	PROPOSED BMPs
400362704	FORM 2A SUBMITTED
400389263	CONST. LAYOUT DRAWINGS
400389265	LOCATION PICTURES
400389266	NRCS MAP UNIT DESC
400389267	OTHER
400389276	HYDROLOGY MAP
400389277	LOCATION DRAWING
400389279	REFERENCE AREA MAP
400389280	REFERENCE AREA PICTURES
400390653	ACCESS ROAD MAP

Total Attach: 13 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Oper. submitted exc. loc. req. ltr. for APD. Corrected dates of construction and interim rec. LGD comments addressed by OGLA at the end of each LGD comment. No public comments. Final Review--passed.	12/23/2013 9:40:04 AM
Permit	Emailed oper. 30 day notice of withdrawal if req'd info for APD not received by 12/6/2013.	11/6/2013 7:54:59 AM
Permit	On hold pending receipt of exc. loc. req. ltr.	7/22/2013 8:57:48 AM
Permit	Contact info has been corrected.	6/17/2013 9:23:31 AM
OGLA	Initiated OGLA Form 2A review on 05-05-13 by Dave Kubeczko; Completed OGLA Form 2A review on 06-04-13 by Dave Kubeczko; requested acknowledgement of notification, fluid containment, spill/release BMPs, cuttings moisture content, access road sediment control, baseline GW sampling, flowback to tanks, dust control, and pipeline COAs from operator on 06-04-13; received acknowledgement of COAs from operator on 06-14-13; onsite conducted by COGCC/Routt County/CPW on 05-10-13; passed by CPW on 05-23-13 with operator agreed to wildlife BMPs acceptable; addressed Routt County LGD comments (dated 05-22-13) after each comment on 06-04-13; passed OGLA Form 2A review on 06-14-13 by Dave Kubeczko; notification, fluid containment, spill/release BMPs, cuttings moisture content, access road sediment control, baseline GW sampling, tank berming, flowback to tanks, dust control, and pipeline COAs.	5/4/2013 3:09:17 PM
Public Room	LGD Comments, Routt County; Dated May 22, 2013 Peakview Operating Company Grassy Creek 13-26 PP2013-011 NW4SW4 Sec 26-6-87 Doc # 400362704, 400362670 COGCC RESPONSE FOLLOWS EACH COMMENT IN "CAPITAL LETTERS"; Dated June 4, 2013 Routt County has a permitting process for all oil/gas operations. The operator is aware that an application must be submitted to Routt County. "NO COGCC RESPONSE NECESSARY; WILL NOT BE CONSIDERED OR ADDRESSED IN THE FUTURE."	5/4/2013 3:09:10 PM

Routt County has a review process for all county roads used for oil/gas operations. The operator must contact Routt County and comply with road review procedures before operations can be conducted. "NO COGCC RESPONSE NECESSARY; WILL NOT BE CONSIDERED OR ADDRESSED IN THE FUTURE."

Routt County requests information from the COGCC after drilling operations are complete for the located of aquifers and showing that casing was completed per minimum requirements of the COGCC regulations to protect all aquifers. "PREVIOUSLY ADRESSED BY COGCC ON SEVERAL EARLIER FORM 2As; WILL NOT BE CONSIDERED OR ADDRESSED IN THE FUTURE."

The site is located approximately four (4) miles southeast the Yampa Valley Regional Airport. The operator is required to file with the FAA for an evaluation and receive a determination. "NO COGCC RESPONSE NECESSARY; WILL NOT BE CONSIDERED OR ADDRESSED IN THE FUTURE."

There is an unnamed stream located near the proposed well pad. The access road travels alongside and crosses this waterbody. Any new construction and upgrades to the access roads and the well pad must have a comprehensive BMP plan and continually monitored for protection of these water sources from erosion and contaminants. There is a second existing crossing of a waterbody. Any new construction and upgrade to this crossing should have a comprehensive BMP plan. Routt County may require a Waterbody permit prior to construction. The US Army Corp of Engineers must be contact and permits issued if required. "COVERED UNDER COGCC RULES; USACE 404 PERMITS COVER UNDER FORM 2A"

Continued best management practices should be used to test or monitor air quality. The COGCC should work with the CDPHE to develop monitoring system requirements and schedules for all operators. New technology should be used to prohibit emissions from tanks, equipment and flares on the onset of production. "PREVIOUSLY ADRESSED BY COGCC ON SEVERAL EARLIER FORM 2As; WILL NOT BE CONSIDERED OR ADDRESSED IN THE FUTURE."

This site is located immediately adjacent to a subsidence area from previous coal strip mining and on areas mapped for Potentially Unstable Slopes (PUS). No drilling should occur until a geologic study is completed to determine slope stability. The operator should also meet with the coal mining company (Sage Creek Holdings/Peabody Energy) to determine if any additional mining is going to occur in the area or if there are any other concerns. "NOT REQUIRED BY COGCC; NO EVIDENCE WAS OBSERVED DURING THE SITE VISIT; WILL NOT BE CONSIDERED OR ADDRESSED IN THE FUTURE."

This area is mapped for winter concentration area for Elk and critical and severe winter habitat for Mule Deer. No drilling or construction should occur December 1 – April 15. After drilling has been completed, post-development well site visitation should be done between the hours of 10 a.m. – 3:00 p.m. "ONLY CPW/COGCC CONSULTATION UNDER THE FORM 2A REQUIREMENTS, AND WITHIN THE COGCC 1200-SERIES RULES, AS PROPOSED BMPs, WILL BE ENFORCED BY COGCC AND ONLY AFTER OPERATOR, AND IF NECESSARY, SURFACE OWNER, HAVE AGREED TO SUCH WILDLIFE BMPS AND/OR TIMING LIMITATIONS. SURFACE OWNERS HAVE THE FINAL DETERMINATION ON WHETHER WILDLIFE BMPs AND/OR TIMING RESTRICTIONS ON THEIR OWN PROPERTY ARE ACCEPTABLE OR NOT."

At a minimum, COGCC Regulation 609 should be met. "COGCC HAS PLACED A COA COVERING POTENTIAL GROUNDWATER BASELINE SAMPLING."

Fire equipment should be kept in all vehicles servicing this area and during drill operations. "COVERED UNDER COGCC RULES; WILL NOT BE CONSIDERED OR ADDRESSED IN THE FUTURE."

DOW	<p>CPW communicated the following recommended BMPs to the permitting agent via email on May 21st, at 3:52pm. No response to these recommended BMPs were given. Given the lack of response by the permitting agent, CPW encourages the COGCC to consider attaching these BMPs.</p> <p>Pad location: Grassy Creek 13-26, T6N, R87W, section 26 at 40.446943, -107.121919</p> <p>Document #: 400362704</p> <p>Wildlife concerns: The proposed pad location is within Elk Winter Concentration Area, and Mule Deer Critical Winter Range. Based on the above wildlife concerns, CPW recommends the following BMPs:</p> <ol style="list-style-type: none"> 1. Where oil and gas activities must occur in mule deer critical winter range, and elk winter concentration areas, conduct these activities outside the time period from December 1 through April 15. 2. Restrict post-development well site visitations to between the hours of 9:00 a.m. and 4:00 p.m. from December 1 to April 15, to accommodate big game winter ranges. 3. Establish company guidelines to minimize wildlife mortality from vehicle collisions on roads. 4. Include a weed management plan and implement the plan as part of reclamation. 5. Avoid aggressive non-native grasses and shrubs in mule deer, elk and pronghorn antelope habitat restoration. 6. Reclaim mule deer, elk, and pronghorn antelope habitats with native shrubs, grasses, and forbs appropriate to the ecological site disturbed. 7. Install and utilize bear-proof dumpsters and trash receptacles for all food-related trash on location, following COGCC Rule 1204 a-1. <p>In addition to the recommended BMPs, CPW would also like to bring attention to multiple slumping areas in Peabody's Twenty Mile Coal reclaimed mine area, that rest above the proposed Grassy Creek 13-26 location to the west. One slumping areas is approximately 300 feet from planned road improvement, another is 150 feet from Production Line Alternative 1.</p> <p>Jacob Davidson, 5-23-2013, 19:15</p>	5/23/2013 7:16:56 PM
OGLA	Pealview Operating Company gave verbal approval (to be followed up with written approval) to extend the CPW consultation timeframe as long as necessary (05-23-13 at this time) until the site can be accessed without snow cover. OGLA, permitting, and final approval have been extended until 06-14-13.	4/8/2013 12:00:33 PM
Permit	Comment period extended 10 days to April 13, 2013 upon request of Routt County LGD.	3/26/2013 7:22:58 AM
DOW	Requested on-site (via email) on 3-19-2013, 17:10	3/19/2013 5:12:44 PM
Permit	Returned to draft. Mineral owner is "committed to an oil and gas lease" box needs to be checked Access Road Map needs to be its own attachment.	3/12/2013 10:28:13 AM

Total: 11 comment(s)

Best Management Practices

No	BMP/COA Type	Description
1	Wildlife	<ol style="list-style-type: none">1. Where oil and gas activities must occur in mule deer critical winter range, and elk winter concentration areas, conduct these activities outside the time period from December 1 through April 15.2. Restrict post-development well site visitations to between the hours of 9:00 a.m. and 4:00 p.m. from December 1 to April 15, to accommodate big game winter ranges.3. Establish company guidelines to minimize wildlife mortality from vehicle collisions on roads.4. Include a weed management plan and implement the plan as part of reclamation.5. Avoid aggressive non-native grasses and shrubs in mule deer, elk and pronghorn antelope habitat restoration.6. Reclaim mule deer, elk, and pronghorn antelope habitats with native shrubs, grasses, and forbs appropriate to the ecological site disturbed.7. Install and utilize bear-proof dumpsters and trash receptacles for all food-related trash on location, following COGCC Rule 1204 a-1.

Total: 1 comment(s)