

**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:

400536061

Date Received:

01/07/2014

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: 100178Name: SIMMONS, INC.* D. J.Address: 1009 RIDGEWAY PL STE 200City: FARMINGTON State: NM Zip: 87401**Contact Information**Name: Chris LopezPhone: (505) 326-3753Fax: (505) 327-4659email: clopez@djsimmons.com**RECLAMATION FINANCIAL ASSURANCE**☒ Plugging and Abandonment Bond Surety ID: 20110075☐ Gas Facility Surety ID: _____☐ Waste Management Surety ID: _____**LOCATION IDENTIFICATION**Name: StatelineNumber: 22-2County: DOLORESQuarter: 57 Section: 22 Township: 39N Range: 20W Meridian: N Ground Elevation: 6584

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: 1647 feet FNL from North or South section line990 feet FWL from East or West section lineLatitude: 37.629330 Longitude: -109.038470PDOP Reading: 1.8 Date of Measurement: 12/19/2013Instrument Operator's Name: John D. Wayne

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>1</u>	Oil Tanks	<u>2</u>	Condensate Tanks	<u>1</u>	Water Tanks	<u>0</u>	Buried Produced Water Vaults	<u>0</u>
Drilling Pits	<u>1</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>1</u>
Pump Jacks	<u>1</u>	Separators	<u>1</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>0</u>	VOC Combustor	<u>0</u>	Flare	<u>1</u>	LACT Unit	<u>0</u>
								Pigging Station	<u>0</u>

OTHER FACILITIES

Other Facility Type

Number

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

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CONSTRUCTION

Date planned to commence construction: 03/03/2014 Size of disturbed area during construction in acres: 2.98
Estimated date that interim reclamation will begin: 04/30/2014 Size of location after interim reclamation in acres: 1.15
Estimated post-construction ground elevation: 6584

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: UIC Disposal

Cutting Disposal: ONSITE Cuttings Disposal Method: Drilling pit

Other Disposal Description:

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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: Thomas McLaury Phone: _____

Address: 604 East 120th

Fax: _____

Address: _____

Email: _____

City: Kansas City State: MO Zip: 64145

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 06/03/2013

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: 1490 Feet
Building Unit: 5280 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 950 Feet
Above Ground Utility: 950 Feet
Railroad: 5280 Feet
Property Line: 477 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: Map Unit 19 - Cahona loam, 6 to 12 percent slopes

NRCS Map Unit Name: Map Unit 144 - Wetherill loam, 3 to 6 percent slopes

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: 06/03/2013

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): Dryland Crops

WATER RESOURCES

Is this a sensitive area: ☒ No ☐ Yes

Distance to nearest

downgradient surface water feature: 1450 Feet

water well: 1320 Feet

Estimated depth to ground water at Oil and Gas Location 20 Feet

Basis for depth to groundwater and sensitive area determination:

Nearest permitted water well (Water Right #09-1879) in NE/SE Sec. 27, T36S, R26E, SLM, San Juan County Utah

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

Adjacent landowners within a 1/2 mile radius of the property where the proposed well site is to be located were sent written notice (via Certified Return Receipt Mail) of D. J. Simmons, Inc.'s proposed minor facility per COGCC Rule 305.c. (1) on December 6, 2013. Since that date, the well bore was relocated to the northwest approximately a couple hundred of feet to be in compliance with Order 231-2 regarding spacing units for the Desert Creek. The surface owner, adjacent landowners, the proposed well pad/access roads/pipelines, and distances to surrounding buildings have all remained roughly the same so D. J. Simmons, Inc. is requesting that the requisite notification has already been met by the December 6, 2013 mailing.

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

Signed: _____ Date: 01/07/2014 Email: clopez@djsimmons.com

Print Name: Chris Lopez Title: Regulatory Specialist

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

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Best Management Practices

No BMP/COA Type

Description

1	Planning	The sequence of construction activities for the project are as follows: 1) Construct well access road: - Install pre/during BMP's; - Blade, level, crown and construct drain ditch for access road to well pad. 2) Construct well pad: - Install pre/during BMP's at well pad; - Construct well pad by leveling (with cut and fill) including drilling pit; - Set-up drilling rig with light plant and mud pit; - Complete the well; - Set surface facilities such as meter run, separator and storage tanks. 3) Construct well-tie pipeline: - Install pre/during BMP's; - Level right-of-way; - Excavate ditch, string pipe, bend pipe, weld pipe, lower-in and shade-in pipe; - Backfill ditch; - Restore back to cropland.
2	Storm Water/Erosion Control	Storm water erosion BMP's are designed to reduce, prevent or control pollution by entraining sediments in runoff during and after construction.

3	Material Handling and Spill Prevention	<p>The following are examples of measures that will be taken to minimize generation of dust, construction materials and waste handling and storage, spill prevention and response:</p> <ul style="list-style-type: none"> - Up to date Material Safety Data Sheets for all chemicals used on-site are maintained. It is not anticipated that reportable quantities of acids, solvents, paints, or chemicals will be stored or used for construction purposes. - Drums and containers will be clearly labeled. Drums of hazardous waste are labeled and dated per regulatory requirements. - Accumulation of waste on-site is limited. - Best Management Practices are implemented. - Chemicals that are poured into smaller containers, the secondary containers will be clearly labeled and dedicated to one material. Funnels or other aids used to reduce spills, drips, and splashes are used during pouring. - Secondary containment is covered to prevent the mixing of released materials with precipitation. - Proper pumps for fueling are provided to reduce leaks and spills. Drip pans are installed for fueling nozzles. Drip pans will be cleaned regularly and will not be allowed to accumulate water. - Storage areas, containment areas and spill response kits are inspected regularly. - Proper signage is installed for hazardous materials storage areas. - Leaks are repaired promptly and spilled material and contaminated media are cleaned up immediately. - Available equipment (spill pallets, mats, absorbants) is used to reduce spills, leaks and drips as well as their impacts. - Tailgate safety meetings are held with all personnel prior to each construction or drilling activity. <p>The CDPHE will be notified of any upset or accidental spill (SWMP Administrator, 877-518-5608) and the spill will be cleaned up immediately and the contaminated soils will be either land farmed or land filled in accordance with State, Federal or Dolores County requirements. Where a release of hazardous substance or oil exceeds the reportable quantity established under 40 CFR 110, 40 CFR 117, or 40 CFR 302 during the 24-hour period, the operator must:</p> <ol style="list-style-type: none"> 1) Contact the SWMP Administrator (877) 518-5608; 2) Notify the National Response Center (800) 424-8802 or (202) 426-2675; 3) Update the Plan within 7 days to address reoccurrences of such releases.
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4	Construction	<p>The BMP's that will be used during construction activities are based on EPA Guidnace Documents and training sessions, the Colorado Discharge Permit System, the Colorado Department of Transportation training sessions and publications, good engineering and other Stormwater publications.</p> <p>The BMP's to be used on this project for pre/during construction will include but are not limited to be 6-9 inch diameter fiber logs, earth berms, hay bales, rock check dams, culverts and sediment traps. The post construction BMP's will be 6-9 inch diameter fiber logs, sediment traps and earth berms. The BMP's are designed specifically for this project to contain sediments on the project site with the intention of not allowing the sediments or any possible pollutants off-site, and more specifically not to reach the drainage of Cottonwood Canyon.</p> <ul style="list-style-type: none"> - The fiber logs are designed to function for flows up to 4 cubic feet per second before failure generally occurs. One third the diameter of the fiber log will be placed in ground and staked down. The fiber logs will be placed a distance of at least three feet outside the toe of the well pad, and on the downhill side of the toe of any fills and the toe of the acces road until final stabilization is achieved. - The hay bales and sediment trap will be located at the lowest point of the project area, allowing for outfall of stormwater but at the same time trapping sediments before outfall occurs. - Windrow berms shall be approximately 12-inches in height by 3-feet in width and shall be constructed on the uphill and downhill sides of the well pad to allow for an outfall of stormwater but at the same time trapping sediments and potential pollutants before outfall occurs. - Should dust become a problem on the project site, then dust abatement techniques of wetting the soil to keep airborne particles down may be applied to the site or any other dust abatement techniques the contractor may select that is acceptable to Dolores County, Colorado. <p>The BMP's shall be installed on the access road and well pad before surface disturbing activities begin. The BMP's will be checked before each sequence of construction for integrity and prior to drilling completion activities or pipeline activities begin. The BMP's will remain in good working order until they are no longer necessary and final stabilization is achieved.</p>
5	Interim Reclamation	<p>Interim reclamation will be achieved in the following manner:</p> <ul style="list-style-type: none"> - Grading and establishing original grade to contour; - Restoring and replacing topsoil in non-working areas; - Construction of proper drainage; - Installing interim BMP's; - Maintaining interim BMP's and contouring.

Total: 5 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2518883	LANDOWNER NOTIFICATION
400536061	FORM 2A SUBMITTED
400536256	LOCATION DRAWING
400536257	HYDROLOGY MAP
400536260	ACCESS ROAD MAP
400536263	LOCATION PICTURES
400536265	NRCS MAP UNIT DESC
400536268	WELL LOCATION PLAT
400536270	CONST. LAYOUT DRAWINGS
400536271	ACCESS ROAD MAP
400536273	PLAT
400536275	PLAT
400536276	FACILITY LAYOUT DRAWING
400536302	FACILITY LAYOUT DRAWING
400536312	OTHER

Total Attach: 15 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Operator met with surface owner in Utah. Operator included the water well in Utah as indicated on hydrology map.	1/10/2014 10:12:20 AM
Permit	Buildings appear closer than distance reported in permit. Operator does not need to bond on if surface owner is the mineral owner.	1/10/2014 10:09:12 AM
Permit	Passed completeness.	1/7/2014 4:27:05 PM

Total: 3 comment(s)