

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:

400558126

Date Received:

02/24/2014

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:

436600

Expiration Date:

03/29/2017

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: 10450

Name: EE3 LLC

Address: 4410 ARAPAHOE AVENUE #100

City: BOULDER State: CO Zip: 80303

Contact Information

Name: Kimberly Rodell

Phone: (303) 942-0506

Fax: ()

email: krodell@upstreampm.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20130007 Gas Facility Surety ID: _____

Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: Peterson Ridge Unit Number: 2-10H

County: JACKSON

Quarter: NWNE Section: 10 Township: 8N Range: 80W Meridian: 6 Ground Elevation: 8122

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: 783 feet FNL from North or South section line

1991 feet FEL from East or West section line

Latitude: 40.685153 Longitude: -106.356761

PDOP Reading: 1.3 Date of Measurement: 10/09/2013

Instrument Operator's Name: Dave Swanson

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Method: Commercial Disposal

Cutting Disposal: ONSITE Cuttings Disposal Method: Other

Other Disposal Description:

Cuttings will be remediated onsite using Eco-Sponge.

Beneficial reuse or land application plan submitted?

Reuse Facility ID: or Document Number:

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

SURFACE & MINERALS & RIGHT TO CONSTRUCT

Name: Marvin Alcorn

Phone: 970-556-4667

Address: P.O. Box 1165

Fax:

Address:

Email:

City: Walden State: CO Zip: 80480

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 10/09/2013

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: 1436 Feet
 Building Unit: 1597 Feet
 High Occupancy Building Unit: 5280 Feet
 Designated Outside Activity Area: 4947 Feet
 Public Road: 845 Feet
 Above Ground Utility: 760 Feet
 Railroad: 5280 Feet
 Property Line: 528 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 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: Sp-Spicerton sandy loam
 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: _____
 List individual species: Inland saltgrass, Western wheatgrass, Big sagebrush, Alkali bluegrass, Nuttall's alkaligrass, Bottlebrush squirreltail, Winterfat, Indian ricegrass, Greasewood, Mat saltbrush

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): _____

WATER RESOURCES

Is this a sensitive area: No Yes

Distance to nearest

downgradient surface water feature: 574 Feet

water well: 1550 Feet

Estimated depth to ground water at Oil and Gas Location 22 Feet

Basis for depth to groundwater and sensitive area determination:

Groundwater depth was taken from the nearest water well, Permit No. 161500.

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 Surface Use Agreement (SUA) requires that EE3 LLC leave the wellpad, access road and fence for the surface owner after EE3 LLC has completed thier operations. This area will be utilized for personal reasons and there will be no interim or final reclamation performed per the SUA.

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

Signed: _____ Date: 02/24/2014 Email: krodell@upstreampm.com

Print Name: Kimberly Rodell 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: Matthew Lee Director of COGCC Date: 3/30/2014

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> |
|-----------------|---|
| | Operator must ensure secondary containment for any volume of fluids 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 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. |
| | 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). |
| | <p>A closed loop system (which operator has indicated on the Form 2A) must be implemented during drilling.</p> <p>The moisture content of any 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, the drill cuttings must also meet the applicable standards of table 910-1.</p> <p>If the wells are 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 or storage vessel 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 constructed to be sufficiently impervious to contain any spilled or released material and with additional downgradient perimeter berming.</p> |

Best Management Practices

| No | BMP/COA Type | Description |
|-----------|---------------------|---|
| 1 | Wildlife | <p>1. Where oil and gas activities must occur within greater sage-grouse winter range areas, conduct these activities outside the period between December 1 and March 15.</p> <p>2. Where oil and gas activities must occur within greater sage-grouse production sensitive wildlife habitat, conduct these activities outside the period between March 1 and June 30.</p> <p>3. Operator will utilize a combustor system or enclosed flare device for elimination of gases encountered during drilling and production. Avoiding traditional flaring techniques at this location will mitigate the effects of fugitive light and noise on wildlife.</p> <p>4. Use hospital grade mufflers for compressors, pump jacks, or other motors necessary to run operations at the site. Mufflers will be pointed upward to dissipate potential vibration.</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> |

Total: 1 comment(s)

Attachment Check List

| Att Doc Num | Name |
|--------------------|-------------------------|
| 2106957 | CORRESPONDENCE |
| 2106965 | PROPOSED BMPs |
| 400558126 | FORM 2A SUBMITTED |
| 400558191 | CONST. LAYOUT DRAWINGS |
| 400558194 | HYDROLOGY MAP |
| 400558197 | LOCATION DRAWING |
| 400558201 | LOCATION PICTURES |
| 400558206 | MULTI-WELL PLAN |
| 400558208 | NRCS MAP UNIT DESC |
| 400558211 | REFERENCE AREA MAP |
| 400558213 | REFERENCE AREA PICTURES |
| 400561008 | TOPO MAP |
| 400561012 | ACCESS ROAD MAP |

Total Attach: 13 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|--------------------------|
| Permit | Final review complete. | 3/24/2014 8:53:34 AM |
| DOW | <p>Wildlife Concerns: This location is within greater sage-grouse production sensitive wildlife habitat (SWH) and pronghorn winter concentration SWH. The nearest sage-grouse lek (Fish Hatchery Lek) is approximately 1.65 miles to the west. This location is also used extensively during winter months by greater sage-grouse from around the North Park region, indicating this area may have significant importance to wintering grouse.</p> <p>Operator agreed to the following BMPs by email on March 20, 2014:</p> <ol style="list-style-type: none"> 1. Where oil and gas activities must occur within greater sage-grouse winter range areas, conduct these activities outside the period between December 1 and March 15. 2. Where oil and gas activities must occur within greater sage-grouse production sensitive wildlife habitat, conduct these activities outside the period between March 1 and June 30. 3. Operator will utilize a combustor system or enclosed flare device for elimination of gases encountered during drilling and production. Avoiding traditional flaring techniques at this location will mitigate the effects of fugitive light and noise on wildlife. 4. Use hospital grade mufflers for compressors, pump jacks, or other motors necessary to run operations at the site. Mufflers will be pointed upward to dissipate potential vibration. 5. Install and utilize bear-proof dumpsters and trash receptacles for all food-related trash on location, following COGCC Rule 1204 a-1. <p>Approved: Taylor Elm, 3/21/2014, 10:41</p> | 3/21/2014 10:41:27 AM |
| OGLA | Initiated/Completed OGLA Form 2A review on 03-06-14 by Dave Kubeczko; placed notification, fluid containment, spill/release BMPs, flowback to tanks, cuttings low moisture, and closed loop COAs on Form 2A; sent email to operator indicating COAs on 03-06-14; passed by CPW on 03-21-14 with CPW and operator agreed to BMPs acceptable; passed OGLA Form 2A review on 03-24-14 by Dave Kubeczko; notification, fluid containment, spill/release BMPs, flowback to tanks, cuttings low moisture, and closed loop COAs. | 3/6/2014 7:24:58 AM |
| Permit | Passed completeness. | 2/24/2014 11:10:56 AM |

Total: 4 comment(s)