

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:

400545096

Date Received:

02/11/2014

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:

436732

Expiration Date:

04/12/2017

☐ 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: 10261

Name: BAYSWATER EXPLORATION AND PRODUCTION LLC

Address: 730 17TH ST STE 610

City: DENVER State: CO Zip: 80202

Contact Information

Name: Sonia Stephens

Phone: (303) 928-7128

Fax: (303) 218-5678

email: regulatory@petro-fs.com

RECLAMATION FINANCIAL ASSURANCE

☒ Plugging and Abandonment Bond Surety ID: 20080034 ☐ Gas Facility Surety ID: _____

☐ Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: Craig Number: 17- H Facility

County: WASHINGTON

QuarterQuarter: SWNW Section: 17 Township: 4S Range: 49W Meridian: 6 Ground Elevation: 4477

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: 2478 feet FNL from North or South section line

115 feet FWL from East or West section line

Latitude: 39.706678 Longitude: -102.896350

PDOP Reading: 1.4 Date of Measurement: 10/30/2013

Instrument 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 #

Production Facilities Location serves Well(s)

400506833

FACILITIES

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

Wells	Oil Tanks	2	Condensate Tanks	Water Tanks	2	Buried Produced Water Vaults
Drilling Pits	Production Pits	1	Special Purpose Pits	Multi-Well Pits		Temporary Large Volume Above Ground Tanks
Pump Jacks	Separators	1	Injection Pumps	Cavity Pumps		
Gas or Diesel Motors	Electric Motors		Electric Generators	Fuel Tanks		Gas Compressors
Dehydrator Units	Vapor Recovery Unit		VOC Combustor	Flare	1	LACT Unit
						Pigging Station

OTHER FACILITIES

Other Facility Type

Number

Evaporation Pit	1
Facility	1

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

1-2" poly low pressure line carry oil, gas & water to the facility from the wellhead(estimated length 4000')
1-2" poly low pressure produced water line from the treater at the facility to the Evaporation pond (estimated length 250')
2-1" poly low pressure gas collection line to run from the treater and oil tanks to the flare if needed (estimated length 100'each)

CONSTRUCTION

Date planned to commence construction: 04/16/2014

Size of disturbed area during construction in acres: 3.08

Estimated date that interim reclamation will begin: 10/15/2014

Size of location after interim reclamation in acres: 1.54

Estimated post-construction ground elevation: 4477

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: ONSITE

Drilling Fluids Disposal Method: Other

Cutting Disposal: ONSITE

Cuttings Disposal Method: Other

Other Disposal Description:

Evaporation Pit on site will include the bentonitic drilling fluids and associated drilling cuttings. This waste facility is for the Craig 32-17 well.
A Form 15 is being submitted for the Evaporation Pit.

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: Van and Cherrie Craig

Phone: 970-357-4219

Address: 45441 Park Ave

Fax:

Address:

Email: N/A

City: Cope State: CO Zip: 80812

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):

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: 495 Feet
Building Unit: 642 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 650 Feet
Above Ground Utility: 71 Feet
Railroad: 5280 Feet
Property Line: 68 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: 27 - Haxtun loamy sand

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: 10/30/2013

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): _____

WATER RESOURCES

Is this a sensitive area: ☐ No ☒ Yes

Distance to nearest

downgradient surface water feature: 5280 Feet

water well: 333 Feet

Estimated depth to ground water at Oil and Gas Location 28 Feet

Basis for depth to groundwater and sensitive area determination:

DWR Data base: nearest water well is # 286031

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: No

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

Related document:
Craig 32-17 Document # 400506833

COGCC Rule 305.a. Pre Application Notification 305.a.(2) EZ/BZ Notice to Surface Owner Craig signed waiving the 30 day notice period. Craig is both Surface Owner and Mineral Owner. the Form 2A is for facility only- no well is located within the disturbance area.

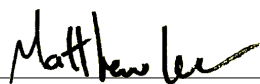
I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Signed: _____ Date: 02/11/2014 Email: regulatory@petro-fs.com

Print Name: Sonia Stephens Title: Regulatory Technician

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: 4/13/2014

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.

COA Type

Description

	The proposed location is in a sensitive area with shallow groundwater and a domestic water well located within 330 feet of the proposed Location. Secondary containment areas for tanks shall be constructed of steel rings, designed and installed to prevent leakage and resist degradation from erosion or routine operation and shall be constructed with a synthetic or engineered liner that contains all primary containment vessels and flowlines and is mechanically connected to the steel ring to prevent leakage.
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Best Management Practices

No BMP/COA Type

Description

1	Planning	<ul style="list-style-type: none">- When feasible, develop one unified separation/treatment and oil tank storage facility for multiple wells to reduce cumulative impacts, multiple facility footprints and adverse impacts on wildlife resources.- Plan for growth upfront in the design process such that tanks or water handling facilities can be added with minimal ground disturbance later in development or drilling progress.- In terms of production, wells will be brought on-line in a phased approach to utilize existing evaporation ponds and minimize the footprint of new ponds.- Existing wells will be shut-in (SI) while new wells are brought on line to control produced water volumes and over building facilities.
2	Planning	<ul style="list-style-type: none">- The facilities, separation and oil storage equipment plus evaporation ponds will be fenced to restrict public and wildlife access.- Spraying for noxious weeds will be applied as needed.- Operator will manage all facilities such that secondary containment berms and evaporation ponds are within the specifications set forth in the COGCC rules.- Gates and fences will be constructed and maintained where necessary.- All lease roads used by operator, its employees, or contractors will be graded and maintained such that water can drain properly.- Mist systems are proposed for the evaporation ponds to aide in the rates of water handling and control of levels in the ponds during summer/peak evaporation months.- Daily visits from field pumpers will record pond levels and make adjustments to production if necessary.

3	General Housekeeping	<ul style="list-style-type: none"> - Drilling personnel/site supervisor will monitor the earthen drilling pit fluid level to ensure the minimum required two (2) feet of freeboard is maintained at the drill site. - Once drilling operations are completed, Operator personnel & pumper will inspect the evaporation ponds on a daily basis. Adjustments can be made daily if needed to well cycles, shutting in of a well and diverting water to pits that have more freeboard available. Pumpers will also monitor the condition of the fencing, pipeline routes, wells, pumps and facilities in general for observations of abnormal activity and operations. Records will be kept documenting pit monitoring levels and inspection. - When applicable, fluids will be delivered to and/or removed from the pit from a single, designated access point. The access point shall be clearly identified and shall be constructed and utilized to prevent damage to the liner system from operators and contractors placing or removing hoses into or from the pit during fluid transfer.
4	Storm Water/Erosion Control	<ul style="list-style-type: none"> - Operator will make use of water bars, straw hay bales, gravel and other measures will be used to prevent erosion, storm water run-off and site degradation. - Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).
5	Construction	<ul style="list-style-type: none"> - Remove only the minimum amount of vegetation necessary for the construction of roads, facilities and evaporation ponds. - Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation. - No construction or routine maintenance activities will be performed during periods when the soil and or roads are too wet to adequately support construction equipment.
6	Interim Reclamation	<ul style="list-style-type: none"> - Utilize existing pad areas and for temporary storage of equipment when possible such that any new well pads will have a reduced footprint. - Restore locations to their original condition within a reasonable time frame after the completion of operations. - All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by surface owner.
7	Final Reclamation	<ul style="list-style-type: none"> - The facilities and the roads will be kept free of noxious weeds, litter and debris - All surface restoration shall be accomplished to the satisfaction of surface owner. - All final seeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by surface owner. - Final reclamation shall be completed to the reasonable satisfaction of the surface owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards (BLM/COGCC).

Total: 7 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
166213	CORRESPONDENCE
1668217	WASTE MANAGEMENT PLAN
2518961	WAIVERS
400545096	FORM 2A SUBMITTED
400552294	ACCESS ROAD MAP
400552295	HYDROLOGY MAP A, TOPO
400552297	NRCS MAP UNIT DESC
400552298	REFERENCE AREA MAP
400552301	REFERENCE AREA PICTURES
400552304	PROPOSED BMPs
400553486	LOCATION PICTURES

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	4/8/2014 8:30:27 AM
OGLA	INTERIM RECLAMATION - Revised "Restore well site locations to their original condition within a reasonable time frame after the completion of operations" to "Restore locations to their original condition within a reasonable time frame after the completion of operations."	3/28/2014 11:04:57 AM
OGLA	Changed Soils to Haxtun loamy sand.	3/21/2014 1:58:56 PM
OGLA	PLANNING - Revised "The well site locations, facilities and the roads will be kept free of noxious weeds, litter and debris" to "The facilities, separation and oil storage equipment plus evaporation ponds will be fenced to restrict public and wildlife access."	3/21/2014 1:53:47 PM
OGLA	CONSTRUCTION - Revised "Remove only the minimum amount of vegetation necessary for the construction of roads, drilling pads, facilities and evaporation ponds" to "Remove only the minimum amount of vegetation necessary for the construction of roads, facilities and evaporation ponds."	3/21/2014 1:47:51 PM
OGLA	The Waste Management Plan submitted is not applicable for this facility. The applicable plan is required prior to final approval.	3/21/2014 1:45:29 PM
OGLA	Removed Drilling and Completions and Final Reclamation BMPs as this is a production facility - Light sources will be directed downwards and away from occupied structures during drilling operations. - Completion operations will be minimal as fracture stimulation is not necessary for our target formations in the Adams and Washington Co. wells. - Noise and the numbers of days with equipment on site will be minimized due to completion techniques. - Once the drilling and completions rigs leave the site, there will be no permanently installed lighting on site. - Drilling pad size will be reclaimed to a simple vehicle turn-around area for daily maintenance of wells and pump jacks.	3/21/2014 1:35:13 PM
OGLA	FINAL RECLAMATION - Revised "The well site locations, facilities and the roads will be kept free of noxious weeds, litter and debris" to "The facilities and the roads will be kept free of noxious weeds, litter and debris."	3/21/2014 1:32:55 PM

OGLA	No wells are planned for this location. Please revise "Drilling Waste Management" section.	3/21/2014 1:31:11 PM
OGLA	Changed distance to nearest building unit to 642'.	3/21/2014 1:30:39 PM
Permit	Attached surface owner waiver.	2/20/2014 6:30:07 AM
Permit	The wells are located at a distance from the Facility. Bayswater submitted the Well Permits back in January 2014. The Production Pad and Evaporation Pit relate to the 3 Craig wells.	2/20/2014 6:29:09 AM
Permit	The building unit you see is an abandon farm house owned by the Craig's who are also the surface owners. We noted this on the Well Permit but did not on the Facilities. per operator	2/20/2014 6:28:52 AM
Permit	Operator says drilling fluids and cuttings are being disposed of onsite yet no well is being drilled. Drilling waste must be coming from wells not identified	2/19/2014 12:34:36 PM
Permit	Operator states that notifications were made and that the surface owner waived one of the 30 day notices but proof of surface owner receipt not attached and neither is the waiver of the 30 day notice.	2/19/2014 12:33:37 PM
Permit	Cultural setback to building unit appears incorrect.(5280') A building unit appears to be in the center of the group of buildings nearby. Production facility appears to be within the buffer zone and is not checked on the permit.	2/19/2014 12:27:10 PM
Permit	Passed completeness.	2/12/2014 11:09:10 AM

Total: 17 comment(s)