

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:

400521270

Date Received:

03/24/2014

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:

437074

Expiration Date:

05/05/2017

☒ 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: Jennifer Grosshans

Phone: (303) 928-7128

Fax: (303) 218-5678

email: regulatory@petro-fs.com

RECLAMATION FINANCIAL ASSURANCE

☒ Plugging and Abandonment Bond Surety ID: 2013007 ☐ Gas Facility Surety ID: _____

☐ Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: Grizzly Number: Pad

County: JACKSON

QuarterQuarter: NWNE Section: 11 Township: 7N Range: 81W Meridian: 6 Ground Elevation: 8153

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: 460 feet FNL from North or South section line

2470 feet FEL from East or West section line

Latitude: 40.598397 Longitude: -106.453069

PDOP Reading: 1.4 Date of Measurement: 07/26/2013

Instrument Operator's Name: RAS

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

OTHER FACILITIES

Other Facility Type

Number

Meter	1
Dual Product Tank	8
Treaters	2

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

Initially there will be a single flowline (oil, gas, water) from the well head to the production facility located on the well pad. Eventually the operator hopes to construct a gas gathering line and/or a water gathering line to transport produced water to a central facility for disposal.

CONSTRUCTION

Date planned to commence construction: 05/01/2014 Size of disturbed area during construction in acres: 3.20
Estimated date that interim reclamation will begin: 11/03/2014 Size of location after interim reclamation in acres: 2.20
Estimated post-construction ground elevation: 8154

DRILLING PROGRAM

Will a closed loop system be used for drilling fluids: Yes

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: ONSITE Cuttings Disposal Method: Other

Other Disposal Description:

The cuttings will be remediated onsite using Eco-Sponge.

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: Grizzly Land, LLC

Phone: _____

Address: PO Box 670

Fax: _____

Address: _____

Email: _____

City: Windsor State: CO Zip: 80550

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: 5280 Feet
Building Unit: 5280 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 5280 Feet
Above Ground Utility: 5280 Feet
Railroad: 5280 Feet
Property Line: 747 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: 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: _____

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: 1180 Feet

water well: 5280 Feet

Estimated depth to ground water at Oil and Gas Location 100 Feet

Basis for depth to groundwater and sensitive area determination:

DWR website.

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

Rule 303.d.(3).G.bb: At this time, due to snow on the ground, EE3 is unable to provide the reference photos for the area. Four (4) color photographs of the reference area will be taken during the growing season of vegetation and facing each cardinal direction. Upon the clearing of snow, EE3 will submit the required photos. This shall satisfy the requirement that COGCC has set forth asking that the photographs be submitted at any time up to twelve (12) months after the Form 2A.

Rule 303.b.(3)J.iii: no pre-app notification to Surface Owner was required - this is covered by Item 29 in SUA (attached); no Building Unit Owners within 1000' so no pre-app notifications to Building Unit Owners necessary. Therefore, no evidence of mailing attached.

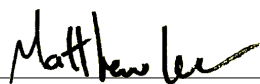
I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Signed: _____ Date: 03/24/2014 Email: regulatory@petro-fs.com

Print Name: Jennifer Grosshans Title: Permit Agent for EE3 LLC

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: 5/6/2014

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

	<p>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.</p> <p>The access road will be constructed and maintained as to not allow any sediment to migrate from the access road to nearby surface water or any drainages leading to surface water.</p> <p>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.</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 well is 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>
	<p>Notify the COGCC 48 hours prior to start of pad construction, rig mobilization, spud, pipeline testing, 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>
	<p>Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service any temporary surface or permanent buried pipelines and following any reconfiguration of the pipeline network.</p>

Best Management Practices

No BMP/COA Type

Description

1	Planning	<p>A multi-well site will be used for directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.</p> <p>Pits are not planned for this location.</p>
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2	General Housekeeping	<p>Fence the well site after drilling to restrict public and wildlife access.</p> <p>Keep well site location, road and the pipeline easement free of noxious weeds, litter and debris. Spray for noxious weeds as needed.</p> <p>Operator will not permit the release or discharge of any toxic or hazardous chemical or wastes on Owner's Land.</p> <p>Construct and maintain gates where any roads used by operator, its employees, or contractors cross through fences on the leased premises.</p> <p>Removal of all trash, debris and material not intrinsic to the operation of the oil and gas location shall be removed and legally disposed of as applicable.</p>
3	Wildlife	<p>Where oil and gas activities must occur within the Greater Sage-grouse Sensitive Wildlife Habitat (SWH) or within other mapped greater sage grouse breeding or summer habitat, Operator will conduct these activities outside the period between March 1 and June 30. There are no anticipated effects on nearby grouse populations or their habitat at this time.</p> <p>Restrict post development well site visitations to portions of the day between 9:00am and 4:00pm during the lekking season (March 1 to May 15).</p> <p>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>Install and utilize bear-proof dumpsters and trash receptacles for all food-related trash on location, following COGCC Rule 1204.a.(1).</p> <p>Operator will utilize a combustion chamber or enclosed flaring device for elimination of gases encountered during drilling and production. Avoiding traditional flaring techniques at this location will help mitigate the effects of fugitive light and noise on wildlife.</p>
4	Storm Water/Erosion Control	<p>Use water bars, and other measures to prevent erosion and non-source pollution.</p> <p>Implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation.</p> <p>Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).</p>
5	Construction	<p>Remove only the minimum amount of vegetation necessary for the construction of roads and facilities.</p> <p>Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation.</p> <p>No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.</p>
6	Noise mitigation	<p>The drill site is far enough away from any building units that noise mitigation will not be required.</p>
7	Drilling/Completion Operations	<p>A closed-loop drilling mud system will be used to preclude the use of an earthen reserve pit when available. Light sources will likewise be directed downwards and away from occupied structures, where possible. Once the drilling and completion rigs leave the site, there will be no permanently installed lighting on site.</p> <p>Pumper will visit the location daily and visually inspect all tanks and fittings for leaks.</p>
8	Interim Reclamation	<p>Utilize only such area around each producing well as is reasonably necessary.</p> <p>Restore the remainder of the well site location to its original condition within a reasonable time after the completion of operations.</p> <p>All reseedling 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 Owner.</p>
9	Final Reclamation	<p>All surface restoration and re-seeding shall be accomplished to the satisfaction of Owner in accordance with the terms of the SUA.</p> <p>Final reclamation shall be completed to the reasonable satisfaction of the Owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards (COGCC).</p>

Total: 9 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2106971	CPW CORRESPONDENCE and PROPOSED BMPs
2106972	CORRESPONDENCE
400521270	FORM 2A SUBMITTED
400575446	LOCATION DRAWING
400575454	LOCATION PICTURES
400575460	HYDROLOGY MAP
400575470	NRCS MAP UNIT DESC
400575476	MULTI-WELL PLAN
400575477	WASTE MANAGEMENT PLAN
400575552	FACILITY LAYOUT DRAWING
400577330	ACCESS ROAD MAP
400577494	SURFACE AGRMT/SURETY
400578016	REFERENCE AREA MAP

Total Attach: 13 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Final Review	Changed distance to nearest downgradient surface water from 2568' to 1180' (a surface water feature is present approximately 1,180' ENE of the location).	5/6/2014 7:53:38 AM
Permit	Final review complete.	4/30/2014 7:13:53 AM
OGLA	Initiated/Completed OGLA Form 2A review on 04-02-14 by Dave Kubeczko, placed notification, fluid containment, sediment control access road, dust control, spill/release BMPs, flowback to tanks, cuttings low moisture content, and pipeline testing COAs; sent email indicating COAs to operator on 04-02-14; corrected distance to nearest surface water from 2568' to 1180' to nearby pond shown on aerial; passed by CPW on 04-02-14 with operator submitted and agreed to BMPs acceptable; passed OGLA Form 2A review on 04-29-14 by Dave Kubeczko; notification, fluid containment, sediment control access road, dust control, spill/release BMPs, flowback to tanks, cuttings low moisture content, and pipeline testing COAs.	4/2/2014 7:21:56 PM
DOW	In addition to the BMPs supplied by the operator on the submitted Form 2A, CPW recommends one additional BMP to adequately address wildlife concerns at this location. On April 1, 2014 the operator agreed by email to the following BMP: 1. Operator will utilize a combustion chamber or enclosed flaring device for elimination of gases encountered during drilling and production. Avoiding traditional flaring techniques at this location will help mitigate the effects of fugitive light and noise on wildlife. By: Taylor Elm, 04/02/2014, 15:55	4/2/2014 3:54:55 PM
Permit	Ready to pass pending public comment 4/16/14.	4/2/2014 11:07:55 AM
Permit	Form passes completeness.	3/26/2014 11:00:51 AM
Permit	Returned to draft: 1) Reference area map? 2) Add related APD doc #'s.	3/25/2014 7:45:04 AM
OGLA	Operator called and requested these be returned to DRAFT as they were submitted mistakenly.	3/24/2014 12:49:23 PM

Total: 8 comment(s)