

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:

400586579

Date Received:

04/11/2014

Oil and Gas Location Assessment

New Location Refile Amend Existing Location Location#: 335166

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:

335166

Expiration Date:

05/14/2017

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: 10433

Name: PICEANCE ENERGY LLC

Address: 1512 LARIMER STREET #1000

City: DENVER State: CO Zip: 80202

Contact Information

Name: Wayne P Bankert

Phone: (970) 812-5310

Fax: (303) 339-4399

email: wbankert@laramie-energy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: _____

Gas Facility Surety ID: _____

Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: Federal 66S93W

Number: /31NENE

County: GARFIELD

Quarter: NENE Section: 31 Township: 6S Range: 93W Meridian: 6 Ground Elevation: 6475

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: 4 feet FNL from North or South section line

1183 feet FEL from East or West section line

Latitude: 39.489540 Longitude: -107.811990

PDOP Reading: 1.7 Date of Measurement: 07/01/2007

Instrument Operator's Name: Grabowski

SURFACE & MINERALS & RIGHT TO CONSTRUCT

Name: Bureau of Land Management

Phone: 970-876-9000

Address: 2300 River Frontage Road

Fax: _____

Address: _____

Email: jamcgrew@blm.gov

City: Silt State: CO Zip: 81652

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: Surface Use Agreement

Surface damage assurance if no agreement is in place: _____ Surface Surety ID: _____

Date of Rule 306 surface owner consultation 04/07/2014

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: 4224 Feet
Building Unit: 4224 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 3689 Feet
Above Ground Utility: 2640 Feet
Railroad: 5280 Feet
Property Line: 85 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: Map Unit 67: Rock Outcrop, Steep
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: 04/01/2014
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, Chokeycherry)
 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: 283 Feet

water well: 2725 Feet

Estimated depth to ground water at Oil and Gas Location 80 Feet

Basis for depth to groundwater and sensitive area determination:

Down gradient Surface Water feature identified as intermittent drainage.
No groundwater identified during drilling of wells. BLM Helmer Gulch Master Development Plan EA did not identify any groundwater sources in this area.

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 N/A

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

Existing location.

Please Note: Location assessment is being submitted only for the use of the site as a temporary staging area for 500 bbl "frac" tanks and also to re-open and line the completion pit for temporary storage of produced and freshwater. The purpose of the temporary use is to support the completion of 5 federal wells on the ADJACENT Federal 29-11 Pad (335515) on BLM lands that were drilled in 2008. After the wells are completed the tanks will be removed and the completion pit reclaimed. The location will return to its original state. Anticipated use of the tanks and pit is not to extend beyond November 1, 2014.

NOTE: THIS LOCATION IS DIVIDED ACROSS PROPERTY LINES: BLM AND LEVERICH

The reference area is located immediately adjacent to the pad to the south on undisturbed ground.

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

Signed: _____ Date: 04/11/2014 Email: wbankert@laramie-energy.com

Print Name: Wayne P Bankert Title: Snr. Reg. & Env. Coord.

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: 5/15/2014

Surface Owner Information

Owner Name	Address	Phone	Fax	Email
Bureau of Land Management	2300 River Frontage Road Silt, CO 81652	970-876-9000		jamcgrew@blm.gov
Gordman-Leverich LLLP	555 E. Durant Suite 4A Aspen, CO 81611	970-925-5400		cleverich@aol.com

2 Surface Owner(s)

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>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 pit 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.</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> <p>Operator must routinely inspect the entire length of the surface pipeline to ensure integrity. Operator shall conduct daily inspections of surface poly pipeline routes for leaks during active transfer of fluids and 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. Inspections shall be conducted by viewing the length of the pipeline; operator will endeavor to minimize surface disturbance during pipeline monitoring. Pump stations along the surface poly or steel pipeline route will be continuously monitored when operating in order to swiftly respond to such a failure.</p> <p>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.</p>
	<p>For pits containing fluids other than freshwater only; the pit must be fenced. If the pit is not drained, or closure has not begun within 30 days after last use for well completion, the pit must be netted. The operator must maintain the fencing and netting until the pit is closed.</p> <p>Pits used exclusively for drilling shall be closed in accordance with the 1000-Series Rules. Any pit(s) used for purposes other than drilling shall be closed in accordance with Rule 905. Closure of Pits, and Buried or Partially Buried Produced Water Vessels.</p>
	<p>Notify the COGCC 48 hours prior to start of pad reconstruction/regrading (if necessary), pit liner installation, temporary pipeline testing, start of hydraulic stimulation operations, and start of flowback operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).</p>

Best Management Practices

No	BMP/COA Type	Description
1	Planning	<p>Helmer Gulch BLM Environmental Analysis for Federal 31-41(31-01). CO-2006-084 EA. On file at BLM Colorado River Valley Field Office. Specifically analyzed this location as well as the original approved completion pit.</p> <p>Helmer Gulch Master Development Plan EA. EA Number CO-140-2007-134 EA and Decision Record on file at Colorado River Valley Field Office. Document addressed all impacts associated to the drawdown menu in the "Operator BMP/COA" tab in the Form 2A application.</p>
2	Storm Water/Erosion Control	<p>Stormwater permit Number COR-0378 in place and implemented for all Piceance Activities in the Helmer Gulch Area.</p>

Total: 2 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2106984	FORM 15 PIT PERMIT
2106986	MULTI-WELL PLAN (PLAT)
2106987	MULTI-WELL PLAN (AERIAL)
2106988	CORRESPONDENCE
400586579	FORM 2A SUBMITTED
400586753	REFERENCE AREA MAP
400586755	FACILITY LAYOUT DRAWING
400586756	LOCATION DRAWING
400586757	HYDROLOGY MAP
400586758	FACILITY LAYOUT DRAWING
400586759	ACCESS ROAD MAP
400586763	LOCATION PICTURES
400588309	FED. SUNDRY NOTICE
400588325	OTHER
400588566	NRCS MAP UNIT DESC
400589930	SURFACE AGRMT/SURETY

Total Attach: 16 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed. No LGD comments.	5/12/2014 1:45:42 PM
Permit	There are 3 existing producers on the pad. Those three were permitted and approved prior to the form 2A being required.	5/12/2014 1:44:24 PM
	Initiated/Completed OGLA Form 2A review on 05-09-14 by Dave Kubeczko; placed notification, fluid containment spill/release BMPs, flowback to tanks, pipeline testing, and pit COAs on permit; passed by CPW on 04-16-14 with operator submitted BMPs acceptable; corrected to "sensitive area" due to close proximity to surface water (283'); attached Multi-Well Plan reviewed by Piceance Energy LLC on 05-12-14; passed OGLA Form 2A review on 05-12-14 by Dave Kubeczko; notification, fluid containment spill/release BMPs, flowback to tanks, pipeline testing, and pit COAs.	5/12/2014 10:52:11 AM
LGD	pass, gdb	4/16/2014 3:45:06 PM
DOW	The BMPs and conditions of approval previously approved for this location adequately address wildlife concerns. Approved:Jim Komatinsky April 16, 2014	4/16/2014 2:11:38 PM
Permit	Form passes completeness.	4/16/2014 9:47:39 AM
Permit	There are already 3 wells on this pad (10 that are AL) and opr comment says 5 wells, but Facilities tab says 4. Opr notified and form back to draft for clarification and matching of comment and facilities.	4/16/2014 8:26:56 AM
Permit	Returned to draft: Please attach a copy of the surface use agreement to this document. Fill in distance to property line.	4/15/2014 7:50:32 AM

Total: 8 comment(s)