

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:

400593227

Date Received:

06/18/2014

Oil and Gas Location Assessment

New Location Refile Amend Existing Location Location#: 324757

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:

324757

Expiration Date:

09/11/2017

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: Mutual

Number: 01-17H

County: JACKSON

Quarter: NWNW Section: 17 Township: 7N Range: 80W 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: 267 feet FNL from North or South section line

501 feet FWL from East or West section line

Latitude: 40.584031 Longitude: -106.405317

PDOP Reading: 1.8 Date of Measurement: 02/03/2014

Instrument Operator's Name: Loren K. Shanks

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>2</u>	Oil Tanks	<u>8</u>	Condensate Tanks	<u> </u>	Water Tanks	<u> </u>	Buried Produced Water Vaults	<u> </u>
Drilling Pits	<u> </u>	Production Pits	<u> </u>	Special Purpose Pits	<u> </u>	Multi-Well Pits	<u> </u>	Temporary Large Volume Above Ground Tanks	<u> </u>
Pump Jacks	<u>2</u>	Separators	<u> </u>	Injection Pumps	<u> </u>	Cavity Pumps	<u>1</u>		
Gas or Diesel Motors	<u> </u>	Electric Motors	<u>1</u>	Electric Generators	<u> </u>	Fuel Tanks	<u>1</u>	Gas Compressors	<u> </u>
Dehydrator Units	<u> </u>	Vapor Recovery Unit	<u> </u>	VOC Combustor	<u> </u>	Flare	<u>2</u>	LACT Unit	<u> </u>
								Pigging Station	<u> </u>

OTHER FACILITIES

Other Facility Type

Number

Building	<u>2</u>
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Per Rule 303.b.(3)C, description of all oil, gas, and/or water pipelines:

There are no offsite pipelines planned for this wellpad. Buried flowlines/pipelines between wellheads and the oil tanks will be 21/2", Schedule 40, steel. The oil tanks are actually 2-phase holding both oil and produced water. The fluids are trucked to a nearby central facility where they are separated.

CONSTRUCTION

Date planned to commence construction: 09/22/2014 Size of disturbed area during construction in acres: 2.69

Estimated date that interim reclamation will begin: 04/22/2015 Size of location after interim reclamation in acres: 2.16

Estimated post-construction ground elevation: 8151

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:

Cuttings will be remediated with Eco-Sponge. See attached "Waste Management Plan".

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: Kohlman's OK LP Phone: _____
 Address: 21536 State Highway 14 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: No
 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 08/15/2013

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: 2560 Feet
 Building Unit: 2605 Feet
 High Occupancy Building Unit: 5280 Feet
 Designated Outside Activity Area: 5280 Feet
 Public Road: 504 Feet
 Above Ground Utility: 234 Feet
 Railroad: 4270 Feet
 Property Line: 501 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: CA-Cabin 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: Big sagebrush, Muttongrass, Streambank wheatgrass, Pine needlegrass, Sheep fescue, Yellow rabbitbrush, Prairie junegrass, Buckwheat, Bluebunch wheatgrass, Spiny phlox, Bottlebrush squirreltail

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: 145 Feet

water well: 2785 Feet

Estimated depth to ground water at Oil and Gas Location 40 Feet

Basis for depth to groundwater and sensitive area determination:

The location was checked as sensitive due to potential shallow depth of groundwater. Depth to groundwater was determined from Water Well Permit No. 211370. Depth to first water bearing zone is 40' bgs, which, is more indicative of the depth at which groundwater could be encountered if any water could infiltrate/percolate through and past the cuttings and through the minimum thickness of 20' of clay/shale.

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

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

Signed: _____ Date: 06/18/2014 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: 9/12/2014

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>Berms or other containment devices shall be constructed to be sufficiently impervious (corrugated steel with poly liner) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.</p>
	<p>A closed loop system must be implemented during drilling; or, if a drilling pit or cuttings trench are constructed, an amended Form 2A must be submitted and a Form 15 submitted. All cuttings generated during drilling of the horizontal portion of the wellbore through the oil-producing zone must be kept in the lined drilling pit or cuttings trench (if permitted and constructed), or placed either in containers, or on a lined/bermed portion of the well pad; prior to amending and final disposition. The moisture content of any drill cuttings in a drilling pit, cuttings trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. All liners associated with drilling mud and cuttings must be disposed of offsite per CDPHE rules and regulations. At the time of closure, if the drill cuttings are to be left onsite, they must also meet the applicable standards of table 910-1. In locations determined to be a "sensitive area", the operator may be required to notify COGCC (using Form 42) prior to covering the cuttings (in case of drilling pit or cuttings trench) or placing the cuttings on the surface to be mixed with topsoil and seeded to allow inspection and potential confirmation sampling.</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.</p>
	<p>Notify the COGCC 48 hours prior to start of pad reconstruction/regrading, rig mobilization, spud, 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> <p>Reference Area Pictures during the growing season must be submitted within 12 months of this Form 2A submittal.</p>

Best Management Practices

No	BMP/COA Type	Description
1	Storm Water/Erosion Control	EE3 LLC will implement a storm water and erosion plan to prevent sedimentation and erosion.

Total: 1 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2107049	COGCC CORRESPONDENCE
2167857	WASTE MANAGEMENT PLAN
400593227	FORM 2A SUBMITTED
400628548	ACCESS ROAD MAP
400628550	CONST. LAYOUT DRAWINGS
400628552	HYDROLOGY MAP
400628553	LOCATION DRAWING
400628555	LOCATION PICTURES
400628556	NRCS MAP UNIT DESC
400628559	REFERENCE AREA MAP
400628560	REFERENCE AREA PICTURES

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
OGLA	Added flowline information and revised cuttings management COA based on operator submitted "Waste Management Plan" on 09-11-14. Repassed OGLA task on 09-11-14.	9/11/2014 10:27:02 AM
Permit	Attached WMP as per opr. Final review complete.	9/8/2014 11:00:01 AM
Permit	Changed OGLA and Permitting tasks back to active pending waste management plan on 2A.	8/25/2014 9:58:35 AM
Permit	Final review complete.	8/7/2014 10:48:36 AM
OGLA	Initiated/Completed OGLA Form 2A review on 07-16-14 by Dave Kubeczko, placed notification, fluid containment, spill/release BMPs, flowback to tanks, tank berming, and cuttings low moisture content COAs; sent email indicating COAs to operator on 07-16-14; corrected distance to public road from 4300' to 504' based on COGCC review of 2013 aerial map; passed by CPW on 06-25-14 with no BMPs recommended; passed OGLA Form 2A review on 07-21-14 by Dave Kubeczko; notification, fluid containment, spill/release BMPs, flowback to tanks, tank berming, and cuttings low moisture content COAs.	7/16/2014 12:43:32 PM
DOW	Given the existing pad at this location and its proximity to State Highway 14, CPW does not currently have any wildlife concerns with this location. Approved: Taylor Elm, 6/25/2014, 13:45	6/25/2014 1:46:01 PM
Permit	Passed completeness.	6/19/2014 11:09:46 AM

Total: 7 comment(s)