

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:

400768923

(SUBMITTED)

Date Received:

Oil and Gas Location Assessment

New Location Refile Amend Existing Location Location#: 334427

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:

334427

Expiration Date:

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: 20120081 Gas Facility Surety ID: _____
- Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: Piceance Number: 28-05 Pad
 County: MESA
 Quarter: SWNW Section: 28 Township: 9S Range: 93W Meridian: 6 Ground Elevation: 7569

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: 1489 feet FNL from North or South section line
 1183 feet FWL from East or West section line
 Latitude: 39.251250 Longitude: -107.779610
 PDOP Reading: 1.3 Date of Measurement: 10/21/2014
 Instrument Operator's Name: E Purcell

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE

Drilling Fluids Disposal Method: Recycle/reuse

Cutting Disposal: ONSITE

Cuttings Disposal Method: Cuttings trench

Other Disposal Description:

Cuttings to be tested to 910 standards and will be buried on location.
Drilling mud will be Recycled/Reused in other drilling operations. Once all drilling operations are completed the drilling mud will be disposed of at a commercial disposal facility.

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: Pceance Energy, LLC

Phone: 303-339-4400

Address: 1512 Larimer Street Suite 1000

Fax: 303-339-4399

Address: _____

Email: rsboswell@laramie-energy.com

City: Denver State: CO Zip: 80202

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: applicant is owner

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

Date of Rule 306 surface owner consultation 10/01/2014

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

Provide the distance to the nearest cultural feature as measured from Wells or Production Facilities onsite.

	From WELL	From PRODUCTION FACILITY
Building:	2350 Feet	2380 Feet
Building Unit:	2350 Feet	2380 Feet
High Occupancy Building Unit:	5280 Feet	5280 Feet
Designated Outside Activity Area:	5280 Feet	5280 Feet
Public Road:	5280 Feet	5280 Feet
Above Ground Utility:	1940 Feet	1940 Feet
Railroad:	5280 Feet	5280 Feet
Property Line:	1489 Feet	1622 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.
- For measurement purposes only, Production Facilities should only include those items with an asterisk(*) on the Facilities Tab.

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: _____

FOR MULTI-WELL PADS AND PRODUCTION FACILITIES WITHIN DESIGNATED SETBACK LOCATIONS ONLY:

- Check this box if this Oil and Gas Location has or will have Production Facilities that serve multiple wells (onl or offsite) and the Production Facilities are proposed to be located less than 1,000 feet from a Building Unit. *(Pursuant to Rule 604.c.(2)E.i., the operator must evaluate alternative locations for the Production Facilities that are farther from the Building Unit, and determine whether those alternative locations were technically feasible and economically practicable for the same proposed development.)*
- By checking this box, I certify that no alternative placements for the Production Facilities, farther from the nearest Building Unit, were available based on the analysis conducted pursuant to Rule 604.c.(2)E.i.

In the space below, explain rationale for siting the multi-well Production Facility(ies) that supports your Rule 604.c.(2)E.i determination. Attach documentation that supports your determination to this Form 2A.

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 47:Hesperus-Empedrado, mois-Pagoda complex 5 to 35% slopes

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: 08/01/2014

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, 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: 130 Feet

water well: 2169 Feet

Estimated depth to ground water at Oil and Gas Location 47 Feet

Basis for depth to groundwater and sensitive area determination:

Site Characterization completed by Huddelston-Berry May 2014 900' south and west had indication of Ground water at 42' depth and 7564' GL. Extrapolating to pad and adjusting for elevation of 7569 GL, Gound water may be present at 47'.

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 zone: No

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 Section 28 All is included in BLM Communitization Agreement No. COC-076683. All Fee and Federal Minerals in section 28 are committed to this agreement.

Piceance Energy is filing a Conditional Use Permit with Mesa County to use this location for the first 3 years as a Temporary Water Storage Facility and Completion Support for wells drilled within Sections 28 and 29 of Twn 9S, R93W. The pad is designed for slope and sumps and spill containment berm around all fill slopes to manage any spills that might result from produced or flowback water during the life of its operation. All tankage within the foot print of the pad is mechanical in nature and will be monitored by onsite personnel during operations. No more than twelve 500 bbl "frac" tanks will be open to the manifold at any one time. The pad will be tied into the existing water line infrastructure in the area to allow for water movement drastically reducing the impact amount of truck traffic in the area.

Once all adjacent wells are drilled and completed, the pad will revert back to a drilling pad to finish out the operations in Ground Hog Gulch.

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

Signed: _____ Date: _____ 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: _____

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.

Best Management Practices

No	BMP/COA Type	Description
1	Wildlife	<p>PICEANCE ENERGY, LLC</p> <p>Best Management Practices (BMP's) To Reduce Impacts to Wildlife on the Piceance 28-05 Pad For Operations in Sec. 28, Twn. 9S, Rng. 93W 6th PM Mesa County, CO</p> <p>COGCC Mapping indicates: ** NO RSO (Restricted Surface Occupancy) on the Piceance 28-05 Pad ** SWH (Elk Winter Range and Black Bear) on the Piceance 28-05 Pad Note: COGCC Order 399-7 Excuses Piceance Energy from consultation with CDOW (CPW) contained in rule 306c.</p> <p>In an effort to minimize the impacts to wildlife, the following BMP's are part of Piceance Energy's (PE) standard operating procedures for drilling and operations within the Piceance Basin. This list is a partial of PE's policy.</p> <p>Initial Stages for Infrastructure and Roads</p>

1. Road design and General

- No firearms, no dogs on location, and no feeding of wildlife.
- Minimize the amount of traffic on lease roads within 3 hours of sunrise and sunset.
- Use existing routes as much as possible to avoid new disturbance and habitat fragmentation and minimize new road construction.
- Maximize the topography as much as possible in designing roads to reduce, visual, noise, impacts, etc.
- Participate in road sharing agreements with other Operators when possible.
- Design and surface roads based on the traffic, speed, and type of vehicles to reduce, dust, mud, and environmental damage.
- Locate roads away from riparian areas and bottoms of drainages as much as possible or re-route entirely.
- Obtain Army Corp of Engineer Permits for any stream crossings prior to construction.
- Analyze crossings and flow characteristics to determine the best method of crossing, (i.e. culvert, bridge, or low water).
- Armor all stream crossings to reduce erosion and to comply with Stormwater Requirements.
- Implementation of fugitive dust control measures including but not limited to water or magnesium chloride applications, and road surfacing.
- Limit traffic to the minimum needed for safe and efficient operations.
- No driving or parking off of disturbed areas.
- Install and use locked gates or other means when allowed by landowner or Federal Agencies to prevent unauthorized travel on roads and rights-of ways.

2. Well pad design and location

- Locate well pads to maximize directional drilling practices. PE currently plans and attempts to locate pads for the maximum number of wells which can safely be developed from each pad. This is normally 16-20 wells per pad which equates to roughly 4 well pads per section.
- Design each location to accommodate both current and future gas production.
- Locate well pads to minimize disturbance yet maximize use to reduce surface impacts.
- Review State and Federal GIS mapping to avoid Sensitive Wildlife Habitat (SWH), Restricted Surface Occupancy (RSO) areas, steep slopes, etc., as much as possible with roads and pad location.
- Design and install gathering lines within the disturbed area of new roads and adjacent to as much as possible to reduce disturbance construction.
- Design Rights-of Way widths to the minimum needed for safe and efficient construction of pipelines
- Remote Telemetry for production operations

3. Drilling and Production Operations

- Implement remote telemetry in all operations
- Where topographically possible and subject to landowner approval, use centralized water gathering and transportation systems.
- Install exclusionary devices to prevent bird and other wildlife access to equipment stacks, vents, and openings.
- Locate facilities to minimize visual effects (e.g. paint color, screening, etc.)
- PE implements a dewatering system in its operations. No fluid pits are constructed or used during drilling or completion operations.
- PE implements an aggressive weed management program. PE incorporates and uses the BLM Colorado River Valley Field Office's "Noxious and Invasive Weed Management Plan for Oil and Gas Operators- March 2007" for all operations. Each spring, Piceance Energy inventories all pads, roads, and pipelines to insure no noxious weeds have been introduced. If noxious weeds are found, the county will be notified and the weeds will be treated. Weeds are continuously monitored and treated throughout the growing season. Only herbicides approved by the EPA and State are used by certified weed applicators.

4. Reclamation

- Strip and segregate topsoil from other soil horizons during pad, road, and pipeline construction.

- Minimize topsoil degradation by windrowing no higher than 5 feet when possible.
- Immediately seed topsoil to reduce erosion and prevent weed establishment and maintain soil microbial activity.
- Use only certified weed free native seed mixes, unless recommended otherwise by Federal Agencies or the Landowner.
- Use locally adapted seed when available.
- Use diverse seed mixes to mirror the surrounding area unless recommended otherwise by Federal Agencies or the Landowner.
- Monitor re-vegetation success until a minimum of 75% of preferred perennial plant cover (no weeds) is established.
- Perform "interim" reclamation on all disturbed areas not needed for active producing operations.
- If possible, conduct interim and final reclamation during optimum periods (e.g. late fall/early winter or early spring).
- If needed, fence reclaimed areas to minimize livestock/wildlife impact until plant species have are capable of sustaining grazing.

PICEANCE ENERGY, LLC
 BMPS FOR
 Sensitive Wildlife Habitat and Restricted Surface Occupancy
 Areas Specific to Piceance Energy, LLC
 Operations within the Piceance Basin
 Mesa County, CO

Sensitive Wildlife Habitat (SWH)

Black Bear

- Initiate a food and waste/refuse management program that uses bear-proof food storage containers and trash receptacles.
- Initiate an education program that reduces bear conflicts.
- Establish policy to prohibit keeping food and trash in sleeping quarters.
- Establish policy to support enforcement of state prohibition on feeding of black bear.
- Report bear conflicts immediately to CPW .

Signature /s/ Wayne P. Bankert Date 5/8/2014
 Wayne P. Bankert
 Senior Reg. & Env. Coordinator

2	Storm Water/Erosion Control	CDPHE Stormwater Certification Number COR03K454 for North Vega Project Area will be amended to include this location. Existing Stormwater Management Plan will be adjusted also.
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Total: 2 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400772647	LOCATION PICTURES
400772648	REFERENCE AREA PICTURES
400772650	OTHER
400772651	ACCESS ROAD MAP
400772654	HYDROLOGY MAP
400772655	MULTI-WELL PLAN
400772656	LOCATION DRAWING
400772657	REFERENCE AREA MAP
400772665	CONST. LAYOUT DRAWINGS
400772678	NRCS MAP UNIT DESC
400772680	OTHER

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)