

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:

400717092

(SUBMITTED)

Date Received:

Oil and Gas Location Assessment

New Location Refile Amend Existing Location Location#: 306752

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:

306752

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: 100264
 Name: XTO ENERGY INC
 Address: 382 CR 3100
 City: AZTEC State: NM Zip: 87410

Contact Information

Name: Cherylene Weston
 Phone: (505) 333-3190
 Fax: (505) 333-3284
 email: cherylene_weston@xtoenergy.com

RECLAMATION FINANCIAL ASSURANCE

- Plugging and Abandonment Bond Surety ID: 20100210 Gas Facility Surety ID: _____
- Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: Penrose Number: 2-8H & 3-8H
 County: LA PLATA
 Quarter: SWSW Section: 8 Township: 32N Range: 6W Meridian: N Ground Elevation: 6388

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: 872 feet FSL from North or South section line
952 feet FWL from East or West section line

Latitude: 37.026730 Longitude: -107.529640

PDOP Reading: 6.0 Date of Measurement: 07/31/2014

Instrument Operator's Name: D. ALEX JOHNSON

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>3</u>	Oil Tanks*	_____	Condensate Tanks*	_____	Water Tanks*	_____	Buried Produced Water Vaults*	_____
Drilling Pits	_____	Production Pits*	_____	Special Purpose Pits	_____	Multi-Well Pits*	_____	Modular Large Volume Tanks	_____
Pump Jacks	<u>2</u>	Separators*	<u>2</u>	Injection Pumps*	_____	Cavity Pumps*	_____	Gas Compressors*	_____
Gas or Diesel Motors*	<u>2</u>	Electric Motors	_____	Electric Generators*	_____	Fuel Tanks*	_____	LACT Unit*	_____
Dehydrator Units*	_____	Vapor Recovery Unit*	_____	VOC Combustor*	_____	Flare*	_____	Pigging Station*	_____

OTHER FACILITIES*

Other Facility Type

Number

Gas Pipeline	<u>1</u>
Water Pipeline	<u>1</u>

Those facilities indicated by an asterisk () shall be used to determine the distance from the Production Facility to the nearest cultural feature on the Cultural Setbacks Tab.

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

383.30 ft. x 30' width, 6" NPS Schedule 40 steel gas pipeline

176.64 ft. x 20' width, 2" NPS polyethylene water pipeline, ties into existing 2" pipeline on the Penrose well pad.

CONSTRUCTION

Date planned to commence construction: 06/01/2015 Size of disturbed area during construction in acres: 3.11

Estimated date that interim reclamation will begin: 08/01/2015 Size of location after interim reclamation in acres: 1.41

Estimated post-construction ground elevation: 6388

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: ONSITE Drilling Fluids Disposal Method: Recycle/reuse

Cutting Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

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: David & Evelyn Engler

Phone: 970-883-2340

Address: 10340 HWY 151

Fax: _____

Address: _____

Email: _____

City: Ignacio State: CO Zip: 81137

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 10/20/2014

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): existing oil & gas location

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:	732 Feet	710 Feet
Building Unit:	732 Feet	710 Feet
High Occupancy Building Unit:	5280 Feet	5280 Feet
Designated Outside Activity Area:	5280 Feet	5280 Feet
Public Road:	553 Feet	532 Feet
Above Ground Utility:	893 Feet	871 Feet
Railroad:	5280 Feet	5280 Feet
Property Line:	173 Feet	172 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: 02/15/2015

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.

Expanding existing Penrose 1RX well pad to accomodate the drilling, completion and facilities for the proposed wells.

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: Bodot Clay 3-10% slope

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: 10/15/2014

List individual species: RABBITBRUSH, BIG SAGEBRUSH, BLUE GRAMA

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: 1810 Feet

water well: 940 Feet

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

Basis for depth to groundwater and sensitive area determination:

Measured from proposed Penrose 3-8H well spot to existing domestic water well (permit #183234) with static water level = 40.

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 608

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

The proposed Penrose 1RX pressure monitoring well pad will be an expanded to accomodate the drilling of the proposed Penrose 2-8H & 3-8H wells. Surface owner waived consultation/notification requirements. A closed loop mud system will be used for drilling. DOW consultation under Rule 306.c is required under Rule 1201d94.

The proposed pad extension involves an increase in surface disturbance of approximately 1.93 acres.

Reference area pictures will submitted on a sundry at a later date during growing season.

The existing Penrose 1RX pressure monitoring well does not have any associated production equipment; although it is counted in the "wells" portion of the Facilities tab.

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

Signed: _____ Date: _____ Email: cherylene_weston@xtoenergy.com

Print Name: Cherylene Weston Title: Sr. Permitting Analyst

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>The Penrose 2-8H & 3-8H will be drilled on an expanded existing well pad to reduce surface disturbance impacts.</p> <p>A closed-loop mud system will be used during drilling operations.</p> <p>Surface equipment that could be potentially damaging to wildlife will be fenced with livestock fence panels. Prevents wildlife entry to potentially harmful equipment.</p> <p>The access road will be gated in order to restrict general public access.</p> <p>All fired vessel and heat transfer stacks, vents or other openings shall be equipped with screens or other appropriate equipment to prevent entry by wildlife, including migratory birds.</p> <p>Do not place staging, refueling, or chemical storage areas within 100 feet of mapped riparian zones and floodplains.</p> <p>Construction, drilling and completion activities will be scheduled to avoid critical winter use periods for deer and elk from December 1 - April 15. During post-drilling operations, the operator will make good faith efforts to minimize the number of well visits during this critical winter use period.</p> <p>Recycle drilling fluids: Mud systems are dewatered, recycled and water is reused during drilling operations, reducing the amount of water needed to be trucked for drilling operations. Mud can be transported to next drilling location, reducing truck traffic to dispose of drilling fluids.</p> <p>Adhere to the developed weed management plan pursuant to both the La Plata County Land Use Code and Colorado Noxious Weed Act. Protects the productivity of adjacent wildlife habitats.</p> <p>Seed mix will be determined by Surface Owner.</p> <p>Educate employees and contractors on wildlife conservation practices, including no harassment or feeding of wildlife.</p> <p>Forbid use of firearms and dogs on location.</p> <p>Utilize bear proof dumpsters and trash receptacles for food related trash at all facilities that generate such trash.</p>

2	Construction	<p>Certificate to Discharge Under CDPS General Permit No. COR-03000 Stormwater Discharges Associated with Construction. Certification No. COR03C483</p> <ul style="list-style-type: none"> • A Field Wide Stormwater Management Plan (SWMP) for the La Plata Infill Program is on file at the XTO Energy Inc. (72 Suttle Street, Suite J, Durango, CO, 81303) office. A Site Specific SWMP including a Site Plan will be developed for each location. • Spill Prevention, Control and Countermeasures (SPCC) for the La Plata Infill Program is on file at the XTO Energy Inc. (72 Suttle Street, Suite J, Durango, CO, 81303) office. The Field Wide and Site Specific SWMPs each address SPCC during construction operations. See attached diagram for site specific BMPs. • Inspections of the project site and maintenance of installed BMP's shall be conducted in accordance with the CDPHE CDPS permit and field wide plan. • The attached Table 1 lists BMP's which may be utilized during the construction phase and in development of the Site Specific SWMP. BMP selection is based on site specific conditions including topography, existing vegetation, timing, construction sequencing, etc. • The attached Table 1 lists BMP's which may be utilized during the construction phase and in development of the Site Specific SWMP. BMP selection is based on site specific conditions including topography, existing vegetation, timing, construction sequencing, etc.
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Total: 2 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400756494	LOCATION PICTURES
400756496	LOCATION PICTURES
400756502	MULTI-WELL PLAN
400756524	ACCESS ROAD MAP
400759040	LOCATION DRAWING
400784607	NRCS MAP UNIT DESC
400784768	HYDROLOGY MAP A, TOPO
400784769	HYDROLOGY MAP B, AERIAL
400790172	CONST. LAYOUT DRAWINGS
400797542	30 DAY NOTICE LETTER
400800854	SURFACE AGRMT/SURETY
400801610	WASTE MANAGEMENT PLAN
400801865	REFERENCE AREA MAP
400801875	OTHER
400801877	PROPOSED BMPS
400801882	DOW CONSULTATION

Total Attach: 16 Files

General Comments

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

Total: 0 comment(s)