

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:

400799738

0

Date Received:

04/23/2015

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:

441934

Expiration Date:

06/03/2018

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: 25500

Name: DUNCAN OIL INC

Address: 1777 S HARRISON ST, P-1

City: DENVER State: CO Zip: 80210

Contact Information

Name: Paul Gottlob

Phone: (720) 420-5747

Fax: ()

email: paul.gottlob@iptenergyservices.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: _____

Gas Facility Surety ID: _____

Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: WILDWOOD FEDERAL

Number: 1

County: WELD

Quarter: SWNE Section: 32 Township: 9N Range: 62W Meridian: 6 Ground Elevation: 4950

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: 1980 feet FNL from North or South section line

1500 feet FEL from East or West section line

Latitude: 40.705925 Longitude: -104.340222

PDOP Reading: 1.2 Date of Measurement: 12/18/2014

Instrument Operator's Name: Dallas Nielsen

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>1</u> | Oil Tanks* | <u>6</u> | Condensate Tanks* | <u> </u> | Water Tanks* | <u>2</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> | Modular Large Volume Tanks | <u> </u> |
| Pump Jacks | <u>1</u> | Separators* | <u>1</u> | Injection Pumps* | <u> </u> | Cavity Pumps* | <u> </u> | Gas Compressors* | <u> </u> |
| Gas or Diesel Motors* | <u> </u> | Electric Motors | <u>1</u> | Electric Generators* | <u> </u> | Fuel Tanks* | <u> </u> | LACT Unit* | <u>1</u> |
| Dehydrator Units* | <u> </u> | Vapor Recovery Unit* | <u> </u> | VOC Combustor* | <u>1</u> | Flare* | <u>1</u> | Pigging Station* | <u> </u> |

OTHER FACILITIES*

Other Facility Type

Number

| | |
|-------------|-------------|
| <u> </u> | <u> </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:

Intra-facility flow lines generally 4" fusion bonded schedule 160 steel from WH to Facility Tanks on location.

CONSTRUCTION

Date planned to commence construction: 08/01/2015 Size of disturbed area during construction in acres: 3.36

Estimated date that interim reclamation will begin: 01/01/2016 Size of location after interim reclamation in acres: 1.40

Estimated post-construction ground elevation: 4950

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: Land application

Cutting Disposal: OFFSITE Cuttings Disposal Method: Other

Other Disposal Description:

A Land Application Site will be permitted prior to Spud. Total acres above does not include 1.832 acres for the Access Road (See attached Acreage Exhibit listed as Other).

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: BLM, Royal Gorge Field Of Phone: 719-269-8500

Address: 3028 East Main Street Fax: _____

Address: _____ Email: _____

City: Canon City State: CO Zip: 81212

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): Pawnee National Grassland

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): Pawnee National Grassland

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: | 2422 Feet | 2317 Feet |
| Building Unit: | 2422 Feet | 2317 Feet |
| High Occupancy Building Unit: | 5280 Feet | 5280 Feet |
| Designated Outside Activity Area: | 5280 Feet | 5280 Feet |
| Public Road: | 1500 Feet | 1399 Feet |
| Above Ground Utility: | 1450 Feet | 1360 Feet |
| Railroad: | 5280 Feet | 5280 Feet |
| Property Line: | 1500 Feet | 1411 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 (on 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: Olney fine sandy loam #44
 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: Feet

water well: Feet

Estimated depth to ground water at Oil and Gas Location Feet

Basis for depth to groundwater and sensitive area determination:

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:

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

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: No Bond is required as this well is on Federal Surface and accesses Federal Minerals. The attached Lease gives permission to access the Surface & Minerals & shows this Surface Location is in a "Timing Limitation Stipulation for Mountain Plover Nesting Habitat" and stipulates that: Drilling, other construction, or well plugging or abandonment activities are prohibited between April 10 and July 10. The specific surface location of this well is not included in the "No Surface Occupancy Stipulation for Raptor Nest Sites" or the "Pawnee Pioneer Trails Scenic and Historic Byway". The Lease also gives "Special Use Authorization" for improvements such as oil & gas wells, pipelines, production facilities, access roads and other infrastructure related to O & G development. Also attached is Lease Assignment to Duncan Oil Inc.

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

Signed: _____ Date: 04/23/2015 Email: paul.gottlob@iptenergyservices.com

Print Name: Paul Gottlob Title: Regulatory & Engin. Tech.

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: 6/4/2015

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

| | |
|--|---|
| | Operator shall submit a Land Application Plan to the COGCC via a Form 4 Sundry. The Land Application Plan must be approved by the COGCC prior to drilling. |
| | Per COGCC Rule 805.b.(3)B.v - Unnecessary or excessive flaring is prohibited. Operator shall direct all salable quality gas to a sales line as soon as practicable or be shut in and conserved. |
| | Operator shall provide notice to COGCC 48 hours prior to commencing construction of this Oil and Gas Location via Form 42. Please note that this notice is now required under Rule 316C.c. |

Best Management Practices

No BMP/COA Type

Description

| | | |
|---|--|---|
| 1 | Traffic control | RULE 604.c.D: If required by the local government and or BLM, a traffic plan shall be coordinated with the local jurisdiction prior to commencement of move in and rig up. Any subsequent modification to the traffic plan must be coordinated with the local jurisdiction. |
| 2 | Traffic control | RULE 604.c.S: At the time of construction, all leasehold roads shall be constructed to accommodate local emergency vehicle access requirements, and shall be maintained in a reasonable condition. |
| 3 | General Housekeeping | RULE 604.c.P: All surface trash, debris, scrap or discarded material connected with the operations of the property shall be removed from the premises or disposed of in a legal manner. |
| 4 | Material Handling and Spill Prevention | RULE 604.c.F: The Operator shall develop a plan to monitor Production Facilities on a regular schedule to identify fluid leaks. |

| | | |
|----|--|--|
| 5 | Material Handling and Spill Prevention | RULE 604.c.G: Berms or other secondary containment devices in Designated Setback Locations shall be constructed around crude oil, condensate, and produced water storage tanks and shall enclose an area sufficient to contain and provide secondary containment for one- hundred fifty percent (150%) of the largest single tank. Berms or other secondary containment devices shall be sufficiently impervious to contain any spilled or released material. All berms and containment devices shall be inspected at regular intervals and maintained in good condition. No potential ignition sources shall be installed inside the secondary containment area unless the containment area encloses a fired vessel. Refer to API Bulletin D16: Suggested Procedure for Development of a Spill Prevention Control and Countermeasure Plan. |
| 6 | Material Handling and Spill Prevention | RULE 604.c.R: All newly installed or replaced crude oil and condensate storage tanks shall be designed, constructed, and maintained in accordance with National Fire Protection Association (NFPA) Code 30 (2008 version). The operator shall maintain written records verifying proper design, construction, and maintenance, and shall make these records available for inspection by the Director. Only the 2008 version of NFPA Code 30 applies to this rule. This rule does not include later amendments to, or editions of, the NFPA Code 30. NFPA Code 30 may be examined at any state publication depository library. Upon request, the Public Room Administrator at the office of the Commission, 1120 Lincoln Street, Suite 801, Denver, Colorado 80203, will provide information about the publisher and the citation to the material. |
| 7 | Construction | RULE 604.c.E: This will be a single well pad. |
| 8 | Construction | RULE 604.c.M: Unless otherwise requested by the Surface Owner/BLM, well sites constructed within Designated Setback Locations, shall be adequately fenced to restrict access by unauthorized persons. |
| 9 | Construction | RULE 604.c.Q: All guy line anchors left buried for future use shall be identified by a marker of bright color not less than four (4) feet in height and not greater than one (1) foot east of the guy line anchor. |
| 10 | Construction | RULE 604.c.V: Where possible, operators shall provide for the development of multiple reservoirs by drilling on existing pads or by multiple completions or commingling in existing wellbores (see Rule 322). If any operator asserts it is not possible to comply with, or requests relief from, this requirement, the matter shall be set for hearing by the Commission and relief granted as appropriate. As already noted above: this will be a single well pad. |
| 11 | Noise mitigation | RULE 604.c.(2)A: Operations involving pipeline or gas facility installation or maintenance, or the use of a drilling rig, are subject to the maximum permissible noise levels for Light Industrial Zones, as measured at the nearest Building Unit. Short-term increases shall be allowable as described in 802.c. Stimulation or re-stimulation operations and Production Facilities are governed by Rule 802. |
| 12 | Noise mitigation | Rule 802: Oil and gas operations at any well site, production facility, or gas facility shall comply with the Rule 802 permissible noise levels. |
| 13 | Noise mitigation | RULE 604.c.A: The nearest Building Unit is over 2000' away. If determined necessary, lighting abatement measures shall be implemented, including the installation of lighting shield devices on all of the more conspicuous lights, low density sodium lighting where practicable; and rig shrouding is not believed necessary as this is in the Pawnee National Grasslands area and the nearest building unit is over 2,000' away, however, at its election the operator may install temporary engineering controls consisting of perimeter sound walls during drilling and completion activities to provide noise relief. Permanent equipment on location shall be muffled to reduce noise, or shall be appropriately buffered. Rule 803: To the extent practicable, site lighting shall be directed downward and inward and shielded so as to avoid glare on public roads and Building Units within one thousand (1000) feet. |
| 14 | Odor mitigation | Per Rule 805: Oil & gas facilities and equipment shall be operated in such a manner that odors and dust do not constitute a nuisance or hazard to public welfare. |
| 15 | Drilling/Completion Operations | RULE 604.c.N: Any material not in use that might constitute a fire hazard shall be removed a minimum of twenty-five (25) feet from the wellhead, tanks and separator. Any electrical equipment installations inside the bermed area shall comply with API RP 500 classifications and comply with the current national electrical code as adopted by the State of Colorado. An emergency response plan has been generated for this site. |
| 16 | Final Reclamation | RULE 604.c.T: Within ninety (90) days after a well is plugged and abandoned, the well site shall be cleared of all non-essential equipment, trash, and debris. For good cause shown, an extension of time may be granted by the Director. |

| | | |
|----|-------------------|--|
| 17 | Final Reclamation | RULE 604.c.U: The operator shall identify the location of the wellbore with a permanent monument as specified in Rule 319.a.(5). The operator shall also inscribe or imbed the well number and date of plugging upon the permanent monument. |
|----|-------------------|--|

Total: 17 comment(s)

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|-------------------------|
| 2477612 | CORRESPONDENCE |
| 400799738 | FORM 2A SUBMITTED |
| 400824290 | NRCS MAP UNIT DESC |
| 400824291 | NRCS MAP UNIT DESC |
| 400824301 | LOCATION PICTURES |
| 400824310 | LOCATION DRAWING |
| 400824311 | ACCESS ROAD MAP |
| 400824316 | HYDROLOGY MAP |
| 400824317 | REFERENCE AREA MAP |
| 400824321 | REFERENCE AREA PICTURES |
| 400824834 | LEGAL/LEASE DESCRIPTION |
| 400824845 | OTHER |
| 400828220 | OTHER |
| 400828231 | WASTE MANAGEMENT PLAN |
| 400828234 | OTHER |
| 400829412 | OTHER |

Total Attach: 16 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|---|--------------------------|
| Permit | Final Review Completed. No LGD or public comment received. | 6/2/2015 11:01:14 AM |
| OGLA | CPW task passed with no additional wildlife requirements beyond what the Federal stipulations require. No other Public Comments received. OGLA task passed. | 5/28/2015 10:42:57 AM |
| DOW | A wildlife consult was triggered as the application form notes that the proposed location is in a sensitive wildlife habitat area. However, as noted on the COGCC website wildlife map there is no mapped sensitive wildlife habitat or restricted surface occupancy areas intersected. Also, CPWs field investigation of the proposed location indicates no known sensitive wildlife habitat or restricted surface occupancy areas intersected. Duncan Oil Incs Form 2a application indicates there is a Federal lease associated with the proposed oil and gas facilities and that the surface location is in a Timing Limitation Stipulation for Mountain Plover Nesting Habitat and the lease stipulates that Drilling, other construction, or well plugging or abandonment activities are prohibited between April 10 and July 10. Paul Gottlob has indicated that Duncan Oil Inc is agreeable to the Federal criteria and seasonal timing restriction; and that all proposed activities including interim reclamation will be completed outside of the Federal seasonal timing restriction. Colorado Parks and Wildlife is in agreement with the Federal criteria for protection of mountain plover nesting habitat and has no further wildlife recommendation. | 5/28/2015 10:06:42 AM |
| OGLA | IN PROCESS - Operator indicated that a nearby Lyons field discovery well produced considerable oil and water and they wanted sufficient on-site storage capacity if this well produces similarly. Operator agreed to a COA concerning submittal of a Land Application Plan for drill cutting and fluids disposal. OGLA review complete. Waiting on Public Comment period and CPW review/consult. | 5/5/2015 1:04:52 PM |
| OGLA | ON HOLD - Requested reasoning as to why 8 tanks are needed for a single well pad and requesting adding a Condition of Approval that a Land Application Plan be submitted and approved prior to drilling the well. Due by 6/5/15. | 5/5/2015 10:22:42 AM |
| Permit | Operator changed cutting disposal to "OTHER". | 5/4/2015 2:31:04 PM |
| Permit | Cuttings disposal method does not match associated Form 2. Contacted operator to correct. | 5/4/2015 2:30:20 PM |
| Permit | Passed completeness. | 4/27/2015 3:28:49 PM |

Total: 8 comment(s)