

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:

400823821

0

Date Received:

04/13/2015

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:

442505

Expiration Date:

07/15/2018

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: 10500
Name: COACHMAN ENERGY OPERATING COMPANY LLC
Address: 1125 17TH STREET SUITE 410
City: DENVER State: CO Zip: 80202

Contact Information

Name: Neyeska Mut
Phone: (303) 296-3535
Fax: (303) 296-3888
email: neyeska@cynosure-energy.com

RECLAMATION FINANCIAL ASSURANCE

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

LOCATION IDENTIFICATION

Name: Shavetail Federal Well Pad Number: 34

County: RIO BLANCO

Quarter: LOT 3 Section: 34 Township: 1N Range: 103W Meridian: 6 Ground Elevation: 5818

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: 650 feet FSL from North or South section line
1453 feet FEL from East or West section line

Latitude: 40.007750 Longitude: -108.938460

PDOP Reading: 3.0 Date of Measurement: 02/07/2011

Instrument Operator's Name: Kyle Tesky

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>3</u>	Condensate Tanks*	<u> </u>	Water Tanks*	<u>3</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> </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> </u>	Electric Generators*	<u> </u>	Fuel Tanks*	<u> </u>	LACT Unit*	<u>1</u>
Dehydrator Units*	<u>1</u>	Vapor Recovery Unit*	<u> </u>	VOC Combustor*	<u>1</u>	Flare*	<u>1</u>	Pigging Station*	<u>1</u>

OTHER FACILITIES*

Other Facility Type

Number

<u>Other Facility Type</u>	<u>Number</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:

A natural gas pipeline is included in case natural gas is recovered. It will be connected to the existing Summit natural gas gathering system located along BLM Road 1071 in Section 3, T1S, R103W, 6th PM. Plats listing the proposed production facilities are included as Sheet 2A of 8 and Sheet 2F of 8. A plat showing the drilling rig layout with equipment is included as Sheet 2AA of 8.

CONSTRUCTION

Date planned to commence construction: 07/20/2015 Size of disturbed area during construction in acres: 3.03
Estimated date that interim reclamation will begin: 10/15/2015 Size of location after interim reclamation in acres: 1.78
Estimated post-construction ground elevation: 5816

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: Cuttings trench

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: BLM, White River Field Of

Phone: (970) 878-3800

Address: 220 East Market Street

Fax: (970) 878-3805

Address: _____

Email: jmjohnso@blm.gov

City: Meeker State: CO Zip: 81641

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 03/25/2015

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:	5280 Feet	5280 Feet
Building Unit:	5280 Feet	5280 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:	5280 Feet	5280 Feet
Railroad:	5280 Feet	5280 Feet
Property Line:	5280 Feet	5280 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 be 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: Rentsac-Piceance complet, 2 to 30 percent slopes; NRCS Unit #75

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: 05/29/2014

List individual species: Noxious weeds: Cheatgrass, Field bindweed, Halogeton, Scotch thistle, Jointed goatgrass, Tamarisk, and Russian knapweed. Noxious weeds not listed by the State: Annual wheatgrass, russian thistle, Flixweed, and Blue mustard.

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: 945 Feet

water well: 18240 Feet

Estimated depth to ground water at Oil and Gas Location 100 Feet

Basis for depth to groundwater and sensitive area determination:

A seasonal drainage is located 945 feet to the west of the well pad location. USGS maps show an intermittent blue line possibly indicating recharge from ground water during wet years. The topographic difference is approximately 100 feet. The nearest water well is 18,240 feet to the north northeast (3.45 miles). The nearest water well with depth information is located approximately 4 miles to the northwest and is 100 feet deep in White River alluvium. The abandoned oil well Southwest Rangely Federal #12-34-1N-3 (API#05-103-09394) has a document in the COGCC files that describes first water flow (with a small momentary flare) at a depth of 1294 feet. This well is located 2756 feet to the northwest.

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: _____

Is the Location within a Floodplain? No Yes Floodplain Data Sources Reviewed (check all that apply)

Federal (FEMA)

State

County

Local

Other

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

Reference Area is located immediately adjacent to the well pad to the north as shown on the Location Pictures.

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

Signed: _____ Date: 04/13/2015 Email: rickobe1@aol.com

Print Name: Rick Obernolte Title: 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: 7/16/2015

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
	<p>Notify the COGCC 48 hours prior to start of pad construction, rig mobilization, spud, start of hydraulic stimulation operations, start of flowback operations (if different than hydraulic stimulation operations), and pipeline testing using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).</p>
	<p>Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations (as shown on the Construction Layout Drawings attachment); 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 [per CDPHE requirements] and after significant precipitation events), 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>The moisture content of drill cuttings managed onsite shall be kept as low as practicable to prevent accumulation of liquids greater than de minimis amounts. After drilling and completion operations have been completed, the drill cuttings that will remain on the well pad location (cuttings management area, the cut portion of the pad, cuttings trench, dry cuttings drilling pit), must meet the applicable standards of Table 910-1. After the drill cuttings have been amended (if necessary) and placed on the well pad, sampling frequency of the drill cuttings (to be determined by the operator) shall be representative of the material left on location. No offsite disposal of cuttings to another oil and gas location shall occur without prior approval of a Waste Management Plan (submitted via a Form 4 Sundry Notice) specifying disposal location and waste characterization method. Commercial disposal of drill cuttings will only require notification to COGCC via a Form 4 Sundry Notice.</p> <p>If the well(s) is(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>Potential odors associated with the completions process and/or with long term production operations must be controlled/mitigated.</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>

Best Management Practices

No	BMP/COA Type	Description

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2107624	OPERATOR CORRESPONDENCE
2107625	REFERENCE AREA MAP
2107626	APPROVED FEDERAL APD
400823821	FORM 2A SUBMITTED
400826775	LOCATION DRAWING
400826778	FACILITY LAYOUT DRAWING
400826780	LOCATION PICTURES
400826781	LOCATION PICTURES
400826782	ACCESS ROAD MAP
400826783	HYDROLOGY MAP
400826784	REFERENCE AREA MAP
400826785	REFERENCE AREA PICTURES
400826786	NRCS MAP UNIT DESC
400826788	CONST. LAYOUT DRAWINGS
400826790	MINERAL LEASE MAP
400826791	OTHER
400826792	OTHER
400826793	OTHER
400826794	TOPO MAP

Total Attach: 19 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	7/16/2015 2:19:16 PM
OGLA	Initiated/Completed OGLA Form 2A review on 07-13-15 by Dave Kubeczko; requested Reference Area Map and acknowledgement of fluid containment, spill/release BMPs, flowback to tanks only, tank berming, cuttings management, cuttings low moisture content, notification, and pipeline testing COAs from operator on 07-13-15; received acknowledgement of COAs from operator on 07-14-15; corrected distance from WELL and PRODUCTION FACILITY to PUBLIC ROAD per operator (from 3300' to 5280' and from 3350' to 5280') based on restricted access on the BLM road; corrected distance from WELL and PRODUCTION FACILITY to PROPERTY LINE per operator (from 650' to 5280' and from 680' to 5280') based on BLM mapped surface on COGCC's GIS Online Map, and not lease boundaries; passed by CPW on 05-03-15 with BLM stipulations and COAs acceptable; passed OGLA Form 2A review on 07-16-15 by Dave Kubeczko; fluid containment, spill/release BMPs, flowback to tanks only, tank berming, cuttings management, cuttings low moisture content, notification, and pipeline testing COAs.	7/13/2015 1:25:49 PM
Permit	Ready to pass.	5/7/2015 11:31:03 AM
DOW	COACHMAN ENERGY OPERATING COMPANY LLC., Shavetail Federal 34 (Doc. No. 400823821) The proposed location and associated road and pipeline infrastructure will be constructed within an area that is categorized by Colorado Parks and Wildlife (CPW) as Mule Deer Critical Winter Range (MDCWR). The surface and mineral owner for this site is BLM. BLM stipulations that pertain to timing of construction, drilling and well maintenance activities to help reduce impacts to big game and other wildlife species should help mitigate impacts to wildlife. CPW did not request to be present for this onsite because the existing BLM timing stipulations that are associated with the oil and gas lease for this site for big game are adequate. BRETT SMITHERS, 05/03/15, 15:49	5/3/2015 3:50:16 PM
Permit	Passed completeness.	4/17/2015 11:17:01 AM
Permit	On "Consultation & Contact Info" tab, location is with a sensitive wildlife habitat area, not a wildlife restricted occupancy area. On Attachments, file "1+const..pdf" and "2+sec.pdf" should be one attachment. NRCS map unit description is incorrect. File "3+road.pdf" should be labeled "ACCESS ROAD MAP" Files "5+details.pdf" "6+reclaim.pdf" should be labeled "OTHER". Location photos do not meet COGCC rules; must show staked location. Missing Location Drawing Return to draft.	4/16/2015 10:17:05 AM

Total: 6 comment(s)