

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:

400853118

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Date Received:

06/12/2015

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:

442784

Expiration Date:

08/06/2018

☒ 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: 10446

Name: MUSTANG CREEK OPERATING LLC

Address: 5251 DTC PARKWAY #800

City: GREENWOOD VILLAGE State: CO Zip: 80111

Contact Information

Name: Stewart Ward

Phone: (480) 751-7833

Fax: ()

email: sward@fifthcreekenergy.com

RECLAMATION FINANCIAL ASSURANCE

☒ Plugging and Abandonment Bond Surety ID: 20130024 ☐ Gas Facility Surety ID: _____

☐ Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: Payne Number: 23-41

County: ELBERT

Quarter: SWSW Section: 23 Township: 13S Range: 59W Meridian: 6 Ground Elevation: 5810

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: 325 feet FSL from North or South section line

317 feet FWL from East or West section line

Latitude: 38.898580 Longitude: -103.978820

PDOP Reading: 1.3 Date of Measurement: 05/21/2015

Instrument Operator's Name: Scott Estabrooks

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>2</u>	Condensate Tanks*	<u> </u>	Water Tanks*	<u>1</u>	Buried Produced Water Vaults*	<u> </u>
Drilling Pits	<u>1</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>1</u>	Fuel Tanks*	<u>1</u>	LACT Unit*	<u> </u>
Dehydrator Units*	<u> </u>	Vapor Recovery Unit*	<u> </u>	VOC Combustor*	<u>1</u>	Flare*	<u> </u>	Pigging Station*	<u> </u>

OTHER FACILITIES*

Other Facility Type

Number

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:

3" steel pipeline from well head to production facility

CONSTRUCTION

Date planned to commence construction: 08/15/2015 Size of disturbed area during construction in acres: 4.30
Estimated date that interim reclamation will begin: 10/15/2015 Size of location after interim reclamation in acres: 0.90
Estimated post-construction ground elevation: 5810

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: Evaporation
Cutting Disposal: ONSITE Cuttings Disposal Method: Drilling pit
Other Disposal Description:

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: Steve and Debra Payne Phone: 719-478-2013

Address: 2550 County Road 141

Fax: _____

Address: _____

Email: _____

City: Rush State: CO Zip: 80833

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 05/21/2015

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:	2910 Feet	2629 Feet
Building Unit:	3015 Feet	2744 Feet
High Occupancy Building Unit:	5280 Feet	5280 Feet
Designated Outside Activity Area:	5280 Feet	5280 Feet
Public Road:	302 Feet	21 Feet
Above Ground Utility:	4943 Feet	4770 Feet
Railroad:	5280 Feet	5280 Feet
Property Line:	317 Feet	35 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 (onll 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: Elbert County, Colorado, Eastern Part PmC-Platner Loam, 3% - 5% slopes

NRCS Map Unit Name: Elbert County, Colorado, Eastern Part AnB-Ascalon sandy loam, 0 - 3% slopes

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: 06/10/2015

List individual species: cheat grass, field bindweed(see attached)

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: 2732 Feet

water well: 2276 Feet

Estimated depth to ground water at Oil and Gas Location 30 Feet

Basis for depth to groundwater and sensitive area determination:

As per rule 609 2 wells are in the 0.5 mile radius -
1. Water well Receipt # 9078180. Depth - 31 ft. Distance 2276 ft
2. Water well Receipt # 3633091. Depth 60 ft. Distance 2525 ft (plugged and abandoned)

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

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

Signed: _____ Date: 06/12/2015 Email: sward@fifthcreekenergy.com

Print Name: Stewart Ward Title: Drilling Manager

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: 8/7/2015

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 provide notice to COGCC 48 hours prior to commencing construction of this Oil and Gas Location via Form 42. Operator concurrence - email 07/23/2015
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Best Management Practices

No	BMP/COA Type	Description
1	Traffic control	2. Water Supply and Quality. To reduce truck traffic, where feasible, temporary surface water lines are encouraged and will be utilized. If necessary, Operator will bury temporary water lines at existing driveway and gravel road crossings, or utilize existing culvert, if available.
2	Traffic control	6. Private Roads. The Operator agrees to construct (unless already constructed) and maintain an access road designed to accommodate emergency response vehicles such as, but not limited to, law enforcement, emergency command vehicles, ambulances, hazard materials response vehicles, water, tenders, and fire apparatus during construction and operation of new tank batteries (post MOU), new drilling activity and reworks or recompletions of existing wells. With respect to new roads to new tank batteries, the Operator agrees to construct access roads in accordance with the Elbert County Driveway Standards. Best efforts will be made to improve inadequate access to existing tank battery sites identified by the local fire district or County. Operator and County agree that spot inspections of access roads may be done by the County and/or appropriate emergency response agency, at such County or agency's sole risk and expense, to ensure compliance with this section.
3	Storm Water/Erosion Control	1. Berms. Operator will inspect berms on a weekly basis for evidence of discharge and within 48 hrs of a precipitation event. Inspection and maintenance records will be provided to the county on request.
4	Material Handling and Spill Prevention	3. Spill and Release Maintenance. Operator will submit copies of any Form 19 filed with COGCC to the County LGD.
5	Dust control	7. Dust Mitigation. Operator shall use only fresh water (as defined by the Commission) on roads or land surfaces for dust mitigation.
6	Noise mitigation	5. Noise. Operator shall provide to the LGD 24 hr, 7 days a week contact information to respond to all noise complaints arising from Operator's oil and gas facilities.
7	Drilling/Completion Operations	While gas is not expected, solution gas may be present from oil production. It is intended that any solution gas will be handled through a gas burner and not flared.
8	Interim Reclamation	4. Weed Control and Maintenance. Operator shall be responsible for noxious weed control on any disturbed area, from the construction phase to the closure of the well or facility.

Total: 8 comment(s)

Attachment Check List

Att Doc Num	Name
901283	OTHER
1009925	LOCATION PICTURES
400853118	FORM 2A SUBMITTED
400853162	NRCS MAP UNIT DESC
400853164	NRCS MAP UNIT DESC
400853167	TOPO MAP
400853170	HYDROLOGY MAP
400853177	OTHER
400853179	LOCATION DRAWING
400853181	ECOLOGIC RESOURCE SURVEY
400854907	REFERENCE AREA MAP
400854908	REFERENCE AREA PICTURES
400855151	ACCESS ROAD MAP
400855152	CONST. LAYOUT DRAWINGS
400855153	LOCATION DRAWING
400856071	SURFACE AGRMT/SURETY

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.	8/7/2015 10:57:33 AM
OGLA	Per Operator request, added all BMPs based on the MOU with Elbert County. Per Operator request, added Gas Flaring BMP.	7/30/2015 12:42:33 PM
Permit	Attached MOU document (901283) per operator request.	7/29/2015 11:31:17 AM
OGLA	Missing Location Pictures Received 07/17/2015	7/14/2015 5:41:39 PM
OGLA	Changed Timberland to Rangeland based on plant community submitted by the Operator, with Operator concurrence - email 07/23/2015.	7/14/2015 5:07:26 PM
Permit	Operator verified right to construct is O&G lease, and change has been made to form.	7/9/2015 4:04:40 PM
Permit	Corrected the Inst. Op.'s Name from "Robert Daley" to "Scott Estabrooks" based on the Well Location Plat. Passed completeness.	6/25/2015 4:26:51 PM
Permit	Returned ro draft. 1.) Please rename the NRCS attachments from "Ecologic Resource Survey" to "NRCS". 2.) Soils should include PmB-Planter loam 1-3% rather than PmC, and the appropriate attachment should also be included before resubmission. 3.) Please combine the two Access Road Map attachments and edit the map to clearly show the proposed access from the highway or county road. 4.) Please combine the two attachments Proposed Pad Contours and Proposed Pad Cross Sections and label the new attachment as "Construction Layout Drawing". 5.) The required attachments Reference Area Pictures and Reference Are Map are missing. 6.) Please combine the two Location Drawing attachments into one document and label the distance of the 500' buffer. 7.) Surface Use Agreement is not attached.	6/17/2015 9:51:17 AM

Total: 8 comment(s)