

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:

400987938

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Date Received:

02/16/2016

Oil and Gas Location Assessment

New Location Refile Amend Existing Location Location#: 444244

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:

444244

Expiration Date:

04/07/2019

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: 10524

Name: GRMR OIL & GAS LLC

Address: 370 INTERLOCKEN BLVD SUITE 550

City: BROOMFIELD State: CO Zip: 80021

Contact Information

Name: Kristina Lee

Phone: (303) 659-9581

Fax: ()

email: krislee@skybeam.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: _____

Gas Facility Surety ID: _____

Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: Stover Federal

Number: 9-12 1D

County: MOFFAT

Quarter: NWSW Section: 9 Township: 4N Range: 90W Meridian: 6 Ground Elevation: 6906

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: 1843 feet FSL from North or South section line

307 feet FWL from East or West section line

Latitude: 40.327403 Longitude: -107.517933

PDOP Reading: 2.0 Date of Measurement: 01/19/2016

Instrument Operator's Name: Martin Pierce

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>2</u>	Oil Tanks*	<u>4</u>	Condensate Tanks*	<u> </u>	Water Tanks*	<u>1</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>2</u>	Separators*	<u>2</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> </u>
Dehydrator Units*	<u> </u>	Vapor Recovery Unit*	<u> </u>	VOC Combustor*	<u>2</u>	Flare*	<u> </u>	Pigging Station*	<u> </u>

OTHER FACILITIES*

Other Facility Type

Number

<u>Other Facility Type</u>	<u>Number</u>
<input type="text"/>	<input type="text"/>

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:

Flowlines will be 2" to 3" steel buried approximately 4' below grade. No offsite take away pipelines are planned at this time.

CONSTRUCTION

Date planned to commence construction: 06/16/2016 Size of disturbed area during construction in acres: 3.78
Estimated date that interim reclamation will begin: 05/01/2017 Size of location after interim reclamation in acres: 1.18
Estimated post-construction ground elevation: 6904

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: OFFSITE Cuttings Disposal Method: Other

Other Disposal Description:

Production Zone (PZ) cuttings will be disposed "OFFSITE" at a commercial facility. All cuttings above the PZ will be tested for 910-1 and cuttings with levels below 910-1 will be placed "ONSITE" in a cuttings 'pit/trench'.

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: Stover Ranch - Colorado

Phone: 903-831-7005

Address: c/o Jasper Stover, President

Fax: _____

Address: 7 Knotty Pine Street

Email: _____

City: Texarkana State: TX Zip: 75503

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 07/14/2015

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:	2400 Feet	2410 Feet
Building Unit:	2575 Feet	2585 Feet
High Occupancy Building Unit:	5280 Feet	5280 Feet
Designated Outside Activity Area:	5280 Feet	5280 Feet
Public Road:	1801 Feet	1851 Feet
Above Ground Utility:	823 Feet	646 Feet
Railroad:	5280 Feet	5280 Feet
Property Line:	1859 Feet	1909 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: 219 - Youga Loam, 3 to 15 percent slopes
 NRCS Map Unit Name: 22 - Bulkley silty clay, 3 to 12 percent 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: 08/25/2015

List individual species: See previously submitted Weed Survey report prepared by WestWater Engineering

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: 934 Feet

water well: 2465 Feet

Estimated depth to ground water at Oil and Gas Location 20 Feet

Basis for depth to groundwater and sensitive area determination:

Static water level 20' is based on domestic wter well located 6,679 from WH; permit #131151

Water well noted above located t 2465' from WH is a GW "Monitoring" well and had no static water level; permit #52569

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: _____

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: This pad location was enlarged from 1.948 acres to 3.782 because of a larger rig required to drill this two well pad.

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

Signed: _____ Date: 02/16/2016 Email: krislee@skybeam.com

Print Name: Kristina Lee Title: Regulatory Consultant

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: 4/8/2016

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.

<u>COA Type</u>	<u>Description</u>
	<p>In addition to the notifications required by COGCC listed in the Northwest Notification Policy (Notice of Intent to Construct a New Location, Notice of Intent to Spud Surface Casing, and Notice of Intent to Commence Hydraulic Fracturing Operations) and Rule 316C. COGCC Form 42. FIELD OPERATIONS NOTICE (a. Notice of Intent to Conduct Hydraulic Fracturing Treatment and c. Notice of Construction or Major Change); operator shall notify the COGCC 48 hours prior to pipeline testing (flowlines from wellheads to separators to tanks; and/or any temporary surface lines used for hydraulic stimulation and/or flowback operations) using the Form 42 (as described in Rule 316C.m. Notice of Completion of Form 2/2A Permit Conditions). The appropriate COGCC individuals will automatically be email notified.</p> <p>Operator shall provide COGCC with the approved Federal APDs listing all COAs and wildlife stipulations that BLM has attached to this location when they receive them.</p>

	<p>Operator must ensure secondary containment for any volume of fluids contained at the well site during drilling and completion operations; 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 (i.e., best management practices [BMPs] associated with fluid containment/control as well as stormwater management for the control of run-on and run-off) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals as required by CDPHE (at least every 14 days and after precipitation events), and maintained in good condition. The design/build of any perimeter berm shall be sized, constructed, and compacted sufficiently to contain fluids during drilling operations, as well as all fluids contained in temporary frac tanks during completion operations.</p> <p>The access road will be constructed and maintained as to not allow any sediment to migrate from the access road to nearby surface water or any drainages leading to surface water.</p> <p>Strategically apply fugitive dust control measures, including encouraging established speed limits on private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.</p>
	<p>If the operator intends to obtain water from the nearby Williams Fork River, the pump and pipeline system must be capable of preventing any backflow into the river after pump shutdown. Any water pumped from the Williams Fork River, but not used during the drilling and completion operations, must be disposed of offsite, not back into the river.</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. Cuttings generated during the drilling of the production zone (PZ) will be segregated from cuttings generated above this formation and will be disposed of 'OFFSITE' at a commercial facility. After drilling and completion operations have been completed, the drill cuttings that will be disposed of 'ONSITE' (those cuttings above the production zone) will be analyzed for the constituents listed in Table 910-1. placemain on the well pad location, Those cuttings above the production zone that meet the applicable standards of Table 910-1 (or been amended, as necessary to meet the 910-1 levels), will remain onsite and placed in a cuttings management area, the cut portion of the pad, a cuttings trench, or a dry cuttings drilling pit.), must meet the applicable standards of Table 910-1. After the drill cuttings have been 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.</p> <p>If the well(s) is (are) to be hydraulically stimulated, then 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 (flowlines from wellheads to separators to tanks; and any temporary surface lines used for hydraulic stimulation and/or flowback operations) 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

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Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400987938	FORM 2A SUBMITTED
400987940	LOCATION DRAWING

Total Attach: 2 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	4/5/2016 11:14:52 AM
DOW	Pad location: Stover Federal 9-12 1D, T4N, R90W, Section 9 (40.327403, -107.517933) Document #: 400987938 Wildlife concerns: The existing pad location falls within an area that is classified by CPW as Elk Winter Concentration Area habitat. The proposed split-estate well will be drilled from an existing well pad. The surface owner is a private entity and the mineral owner for this well is the federal government (e.g., BLM). Seasonal timing mitigation that will be applied to this site via BLM's NEPA process will help minimize impacts to big game. BRETT SMITHERS, 10:36 03/25/2016	3/25/2016 10:36:21 AM
Permit	Initial review complete. Ready to pass.	3/8/2016 12:02:17 PM
OGLA	Initiated/Completed OGLA Form 2A review on 03-08-16 by Dave Kubeczko; previously submitted and approved (12-07-15) Form 2A#400891937, OGCC Facility ID#444244; applicable COAs will apply and will be placed on this Form 2A; including notification, submit approved Federal APD with BLM stipulations and COAs, fluid containment, spill/release BMPs, flowback to tanks only, cuttings low moisture content, cuttings management, odor control, sediment control access road, dust control, surface water use protection, and pipeline testing COAs; corrected distance from WELL and PRODUCTION FACILITY to Building (from 2696' to 2400' and from 2522' to 2410'), to Building Unit (from 2419' to 2575' and from 2265' to 2585'), and to Public Road (from 5140' to 1801' and from 4986' to 1851') per COGCC's review of the COGCC Online GIS map, the Facility Layout Drawing, and previous onsite conducted on 10-02-15; passed by CPW on 03-25-16 with BLM stipulations and wildlife COAs acceptable; passed OGLA Form 2A review on 04-01-16 by Dave Kubeczko; notification, submit approved Federal APD with BLM stipulations and COAs, fluid containment, spill/release BMPs, flowback to tanks only, cuttings low moisture content, cuttings management, odor control, sediment control access road, dust control, surface water use protection, and pipeline testing COAs.	3/8/2016 9:33:35 AM
Permit	Passed completeness.	2/17/2016 1:42:43 PM

Total: 5 comment(s)