

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:

401169458

(SUBMITTED)

Date Received:

01/05/2017

Oil and Gas Location Assessment

New Location Refile Amend Existing Location Location#: 430927

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:

430927

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: 10591

Name: AUGUSTUS ENERGY PARTNERS II LLC

Address: 2016 GRAND AVENUE SUITE A

City: BILLINGS State: MT Zip: 59102

Contact Information

Name: Duane Zimmerman

Phone: (406) 294-5990

Fax: (406) 294-5992

email: dzimmerman@augustusenergy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20150098

Gas Facility Surety ID: _____

Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: Wiley 22-3-97

Number: J-2H

County: RIO BLANCO

Quarter: NWSE Section: 22 Township: 3N Range: 97W Meridian: 6 Ground Elevation: 5889

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: 1778 feet FSL from North or South section line

1352 feet FEL from East or West section line

Latitude: 40.212075 Longitude: -108.259826

PDOP Reading: 1.4 Date of Measurement: 10/02/2014

Instrument Operator's Name: K. Stewart

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>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>1</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>1</u> | Flare* | <u> </u> | Pigging Station* | <u> </u> |

OTHER FACILITIES*

Other Facility Type

Number

| | |
|----------------------------------|----------|
| Trench on site for cuttings only | <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:

A proposed pipeline right of way will run from the J Pad to the Wiley 23-3-97 O Pad along an existing access road through the NESE and SESE of Section 22, T3N, R97W and the SWSW, NWSW, NESW, SWSE, NWSE, and NESE of Section 23, T3N, R97W. The proposed pipeline will consist of Fiberspar LPJ 4.5-inch 1,500 pounds per square inch (psi) pipe and 4.5-inch 1,500 psi connectors. The pipeline will be buried between 36 and 48 inches below ground surface.

CONSTRUCTION

Date planned to commence construction: 05/01/2017 Size of disturbed area during construction in acres: 4.65

Estimated date that interim reclamation will begin: 11/01/2017 Size of location after interim reclamation in acres: 2.75

Estimated post-construction ground elevation: 5887

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? Yes

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: Buffalo Horn Properties

Phone: _____

Address: 13825 County Road 7

Fax: _____

Address: _____

Email: _____

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: Blanket Surface Surety ID: 20150099

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): _____

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: | 4625 Feet | 4625 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: | 862 Feet | 862 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.
 - Large UMA Facility - 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: 41. Havre loam, 0 to 4 percent slopes
 NRCS Map Unit Name: 61. Patent loam, 3 to 8 percent slopes
 NRCS Map Unit Name: 53. Moyerson stony clay loam, 15 to 65 percent slopes

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.

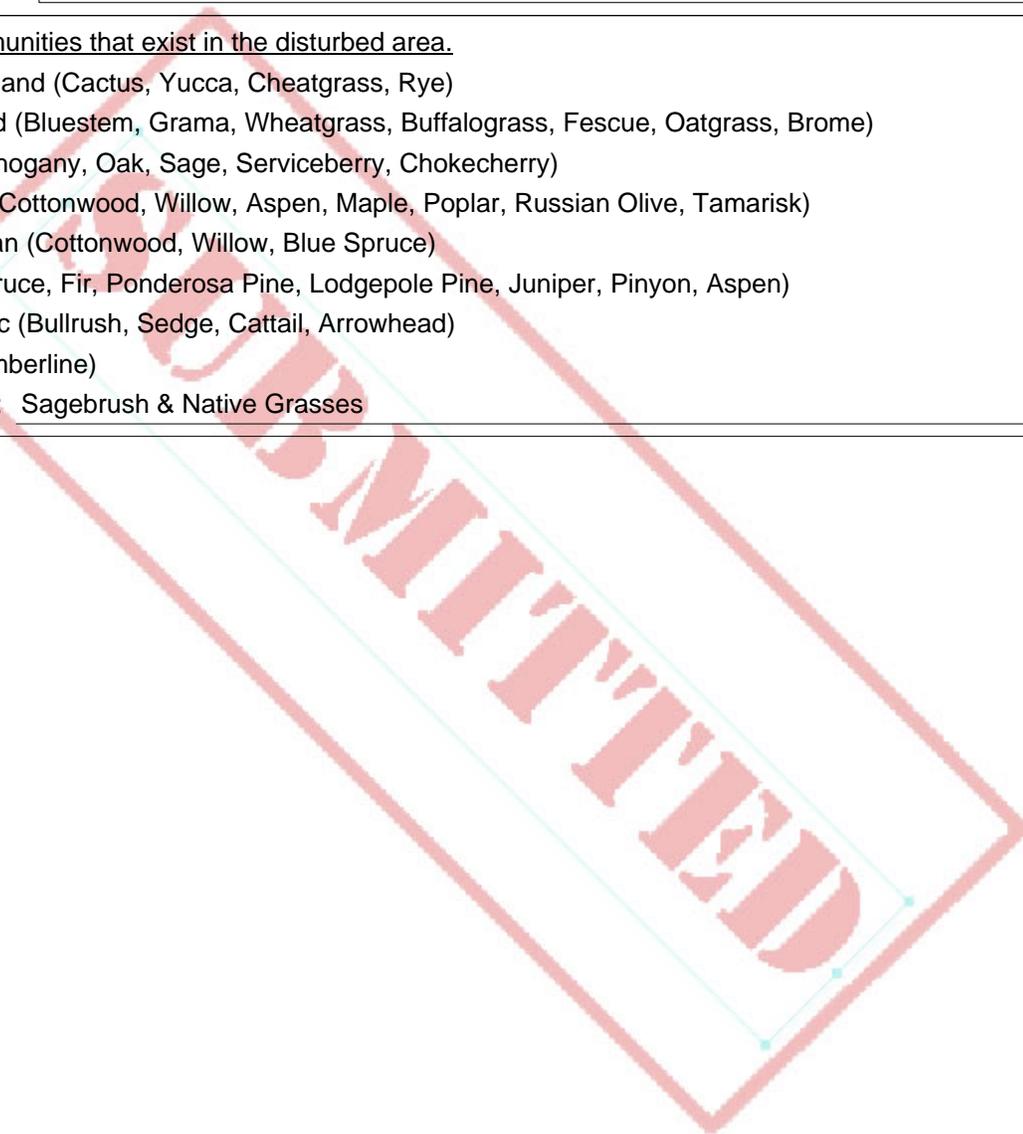
Are noxious weeds present: Yes No

Plant species from: NRCS or, field observation Date of observation: 08/27/2012

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): Sagebrush & Native Grasses



WATER RESOURCES

Is this a sensitive area: No Yes

Distance to nearest

downgradient surface water feature: 108 Feet

water well: 1533 Feet

Estimated depth to ground water at Oil and Gas Location 110 Feet

Basis for depth to groundwater and sensitive area determination:

Per correspondence with Dave Kubezcko (attached), COGCC guidelines require designating all locations within close proximity to surface waters as a Sensitive Area.

The closest permitted water well is an inactive stock well with the permit #16877-F located approximately 1,533 ft southeast of the proposed location. Closest active water well permit is #295300 and is located approximately 3,807 ft east of the proposed location. Water well (Permit 16877-F) was reportedly constructed on 3/2/73. During drilling, water was observed at 110 ft bgs. Well # 295300 was constructed on 9/12/14 and the static water level was reported as 140 ft bgs.

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

WILDLIFE

This location is included in a Wildlife Mitigation Plan

This location was subject to a pre-consultation meeting with CPW held on 01/15/2015

Operator Proposed Wildlife BMPs

No BMP

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

Rule 604.a.(1)A. Exception Zone (within 500' of a Building Unit) and is in an Urban Mitigation Area

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 | Changes included in this refile include: <ul style="list-style-type: none">-New operator information-Well name and number-facility information (i.e., number of pieces of equipment)-construction dates-inclusion of surface owner information-updated water resources information-updated figures-updated financial assurance information-updated attachments <p>Only one well is included on the Form 2A at this time. Augustus has plans to drill an additional two wells on the pad in the future. The Form 2A will be amended at a later time, if necessary.</p> |
|----------|---|

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

Signed: _____ Date: 01/05/2017 Email: bbaum@kleinfelder.com

Print Name: Bradley Baum Title: Project Manager II

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.

| <u>COA Type</u> | <u>Description</u> |
|-----------------|--------------------|
| | |

Best Management Practices

| No | BMP/COA Type | Description |
|----|-----------------------------|---|
| 1 | Storm Water/Erosion Control | <p>Best Management Practices Summary</p> <p>Stormwater Management Plans (SWMP) will be in place to address construction, drilling and operations associated with Oil & Gas development throughout the state of Colorado in accordance with Colorado Department of Public Health and Environment (CDPHE). BMP's will be constructed around the perimeter of the site prior to, or at the beginning of construction. The BMP's used will vary according to the location, and will remain in place until the pad reaches final reclamation.</p> <p>Spill Prevention Control and Counter measures (SPCC) plans will be in place to address any possible spills associated with Oil & Gas operations throughout the state of Colorado in accordance with 40 CFR 112.</p> <p>Housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup will be required to minimize any commingling of waste materials with stormwater runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling. There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup will consist of patrolling the roadways, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly. The above BMP's will be provided to all Augustus Energy Partners II LLC, contractors and will be posted in the company trailer located on location during drilling, completion and production operations.</p> |

Total: 1 comment(s)

Attachment Check List

| Att Doc Num | Name |
|-------------|-------------------------|
| 401169458 | FORM 2A SUBMITTED |
| 401170178 | SENSITIVE AREA DATA |
| 401170180 | NRCS MAP UNIT DESC |
| 401170181 | OTHER |
| 401170182 | LOCATION PICTURES |
| 401170187 | REFERENCE AREA PICTURES |
| 401170191 | HYDROLOGY MAP |
| 401170193 | LOCATION DRAWING |
| 401170194 | REFERENCE AREA MAP |
| 401183828 | ACCESS ROAD MAP |

Total Attach: 10 Files

General Comments

| User Group | Comment | Comment Date |
|------------|---------|---------------------|
| | | Stamp Upon Approval |

Total: 0 comment(s)

Public Comments

No public comments were received on this application during the comment period.

