

State of Colorado
Oil and Gas Conservation Commission1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109

Document Number:

401135274

Date Received:

01/09/2017

Oil and Gas Location Assessment

☒ New Location ☐ Refile ☐ Amend Existing Location Location#: _____

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:

449468

Expiration Date:

03/02/2020☒ 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: 35080

Name: GRAND MESA OPERATING CO

Address: 1700 N. WATERFRONT PKWY BL 600

City: WICHITA State: KS Zip: 67206

Contact Information

Name: Michael Reilly

Phone: (316) 265-3000

Fax: (316) 265-3455

email: mreilly@gmocks.com

RECLAMATION FINANCIAL ASSURANCE

☒ Plugging and Abandonment Bond Surety ID: 20020080☐ Gas Facility Surety ID: _____☐ Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: PIKES

Number: 1-14

County: CROWLEY

QuarterQuarter: SWNE Section: 14 Township: 20S Range: 56W Meridian: 6 Ground Elevation: 4390

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: 2140 feet FNL from North or South section line

1353 feet FEL from East or West section line

Latitude: 38.316090 Longitude: -103.635840

PDOP Reading: 2.3 Date of Measurement: 10/31/2016

Instrument Operator's Name: ELIJAH FRANE-FRANE SURVEYING

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> </u>	Condensate Tanks*	<u> </u>	Water Tanks*	<u> </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> </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> </u>	Flare*	<u> </u>	Pigging Station*	<u> </u>

OTHER FACILITIES*

Other Facility Type

Number

Lined Fresh Water Pit

1

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:

If this well is successful - a flowline from the well to the tank battery will be installed. One 3" lead line Poly pipe, buried at least 3' below the ground surface. The tank battery will be used for the Pikes #1-14, Torrey's #1-11 and the Longs #1-2 wells and will be located 50' off of CR U in the NE/4 of Section 26-20S-56W. We will do a separate Form 2A for the Peaks Production Facility.

CONSTRUCTION

Date planned to commence construction: 04/15/2017 Size of disturbed area during construction in acres: 2.50
Estimated date that interim reclamation will begin: 10/15/2017 Size of location after interim reclamation in acres: 1.00
Estimated post-construction ground elevation: 4390

DRILLING PROGRAM

Will a closed loop system be used for drilling fluids: No

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: Other

Cutting Disposal: ONSITE Cuttings Disposal Method: Drilling pit

Other Disposal Description:

Due to the close proximity of the drilling operations to Black Draw, a major drainage system, will use above ground steel mud pit system for drlg fluids then put into reserve pit which will be lined with a .24 mil liner, then evap and bury.

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: State of Colorado

Phone: 303-866-3454

Address: 1127 Sherman St., Ste 300

Fax: 303-866-3152

Address: _____

Email: steve.freese@state.co.us

City: Denver State: CO Zip: 80203

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 11/28/2016

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	Feet
Building Unit:	5280 Feet	Feet
High Occupancy Building Unit:	5280 Feet	Feet
Designated Outside Activity Area:	5280 Feet	Feet
Public Road:	5280 Feet	Feet
Above Ground Utility:	5280 Feet	Feet
Railroad:	5280 Feet	Feet
Property Line:	1353 Feet	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 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: LoB - Limon clay, alkali, 1 to 3 percent slopes - Wellsite

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: 10/31/2016

List individual species: Limon soils are used for range, irrigated crops, and irrigated pasture. The native range plants are alkali sacaton, blue grama, galleta, fourwing saltbush, and grease-wood.

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: 1485 Feet

water well: 1873 Feet

Estimated depth to ground water at Oil and Gas Location 19 Feet

Basis for depth to groundwater and sensitive area determination:

This wellsite will be in a sensitive area due to the static water level of the water well to the northwest and the southeast of our location and due to the Black Draw to the Northeast of our well. There is also a stock well 1873' Northeast of our wellhead. We will have a 4' high dirt berm around the reserve pit to prevent any outside water sources and reserve pit will be lined with a .24 mil liner.

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 12/05/2016

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

There are no improvements nor apparent surface waters or riparian areas within 1000' of the proposed well pad. This lease is located on State of Colorado Board of Land Commissioners surface/minerals. An onsite inspection was conducted with the State of Colorado on November 28, 2016.

All fluids will be placed into steel mud pits and then placed into the reserve pit to evaporate and dry. Once the fluids and cuttings are sufficiently dry, samples will be collected and analyzed for compliance with Table 910-1 standards. The liner will be removed and disposed of offsite prior to burial of the drill cuttings.

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

Signed: _____ Date: 01/09/2017 Email: mreilly@gmocks.com

Print Name: Michael Reilly Title: President

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: 3/3/2017

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

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Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	<p>BMP Plan Grand Mesa Operating, Co. 1700 N Waterfront Pkwy, Bldg 600 Wichita, KS 67206 P - 316-265-3000 F - 316-265-3455</p> <p>Certification of Discharge under CDPHE COR-030000 Storm water discharges associated with construction permit number COR03Q453 Prior to construction, perimeter controls will be installed utilizing cutting from the clearing operations. Once the well pad has been constructed a variety of BMP's shall be utilized for the site specific conditions. BMP's to be utilized may include, but are not limited to: -Dirt berms -Erosion control blankets -Straw bale barrier -Straw wattle -Check dams -Culvert/Culvert Protection -Silt Fence -Surface roughening/Surface rip Drill pits will be filled and reclaimed within 6 months weather permitting. Topsoil will be separated and spread on drill site as final operation. Storm Water Management Plan (SWMP) is on file in Grand Mesa Operating, Co office. Spill Prevention, Control and Countermeasure Plan is on file in Grand Mesa Operating, Co. office.</p>
2	CPW-Wildlife - Avoidance-SWIFT FOX	<p>The operator agrees to survey for swift fox den sites in CPW-identified suitable habitat prior to new oil and gas operations between March 15 and June 15. The operator will preclude new oil and gas operations within 0.25 miles of an active swift fox den. If oil and gas operations must occur within 0.25 miles of an active swift fox den (with documented justification), the operator agrees to preclude oil and gas operations when den dependent young are present. The operator agrees to prohibit the use of pest/rodenticides for rodent control in swift fox overall range to prevent reduction of swift fox food supplies and secondary toxicity</p>

Total: 2 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401135274	FORM 2A SUBMITTED
401167451	ACCESS ROAD MAP
401167455	HYDROLOGY MAP
401167457	LOCATION PICTURES
401167462	LOCATION PICTURES
401167464	LOCATION DRAWING
401167465	REFERENCE AREA PICTURES
401167466	REFERENCE AREA MAP
401167481	NRCS MAP UNIT DESC
401177904	30 DAY NOTICE LETTER

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	03/03/2017
OGLA	Per Operator request, adopted the CPW BMP language as a BMP.	03/02/2017
OGLA	<p>Changed the distance to the nearest water well to 1873 feet based on the Hydrology Map submitted by the Operator.</p> <p>Per Operator request, added the following statement to the Submit Tab. All fluids will be placed into steel mud pits and then placed into the reserve pit to evaporate and dry. Once the fluids and cuttings are sufficiently dry, samples will be collected and analyzed for compliance with Table 910-1 standards. The liner will be removed and disposed of offsite prior to burial of the drill cuttings.</p> <p>Access Road shows access from CR U (now shown as CR 38 on the CDOT Roads Layer on the COGIS Map).</p>	02/28/2017
Permit	Verification of surface restoration bond with State Land Board.	02/02/2017
Permit	Passed completeness.	01/17/2017

Total: 5 comment(s)