

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:

401120263

(SUBMITTED)

Date Received:

01/04/2018

Oil and Gas Location Assessment

New Location Refile Amend Existing Location Location#: 332117

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:

332117

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: 10633
 Name: CRESTONE PEAK RESOURCES OPERATING LLC
 Address: 1801 CALIFORNIA STREET #2500
 City: DENVER State: CO Zip: 80202

Contact Information

Name: Toby Sachen
 Phone: (720) 410-8536
 Fax: ()
 email: toby.sachen.contractor@crestone pr.com

RECLAMATION FINANCIAL ASSURANCE

- Plugging and Abandonment Bond Surety ID: 20160104 Gas Facility Surety ID: _____
- Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: Cosslett Number: 22H-B168
 County: WELD
 Quarter: NWNE Section: 22 Township: 1N Range: 68W Meridian: 6 Ground Elevation: 5172

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: 850 feet FNL from North or South section line
2205 feet FEL from East or West section line

Latitude: 40.041596 Longitude: -104.987921
 PDOP Reading: 1.6 Date of Measurement: 03/24/2015
 Instrument Operator's Name: Jason Dahlman

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Method: Commercial Disposal

Cutting Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

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: Erie Exchange LLC

Phone: _____

Address: 5040 Acoma Street

Fax: _____

Address: _____

Email: _____

City: Denver State: CO Zip: 80216-2015

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 07/29/2014

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:	1283 Feet	1144 Feet
Building Unit:	2022 Feet	1762 Feet
High Occupancy Building Unit:	5280 Feet	5280 Feet
Designated Outside Activity Area:	5280 Feet	5280 Feet
Public Road:	908 Feet	1083 Feet
Above Ground Utility:	885 Feet	1134 Feet
Railroad:	5280 Feet	5280 Feet
Property Line:	397 Feet	92 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

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: _____

- 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.

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: 40-Nunn loam, 1 to 3 percent slopes

NRCS Map Unit Name: 57-Renohill clay loam, 3 to 9 percent slopes

NRCS Map Unit Name: 79-Weld loam, 1 to 3 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: _____

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): _____

WATER RESOURCES

Is this a sensitive area: No Yes

Distance to nearest

downgradient surface water feature: 1570 Feet

water well: 176 Feet

Estimated depth to ground water at Oil and Gas Location 17 Feet

Basis for depth to groundwater and sensitive area determination:

Ground water determination determined from CDWR report on Permit #170198 which indicates depth to ground water at 17 feet. Sensitive area determination based on depth to groundwater.

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 318A

WILDLIFE

This location is included in a Wildlife Mitigation Plan

This location was subject to a pre-consultation meeting with CPW held on _____

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 Pad reference point is the Cosslett 1F well.

Information on Hydrology Map was checked and there are no changes since April, 2015.

Distances given on the cultural setbacks tab from the wells are as follows: Building - from Cosslett 1A well, Building Unit - from Cosslett 1L well, Property Line - from Cosslett 1L well, Public Road - from all wells, Above Ground Utility - from all wells, High Occupancy Building Unit - from Cosslett 1L well, and Railroad - from all wells.

A temporary completions area of approximately four acres will be utilized for 2-4 fresh water storage tanks to be used during completions operations. The state-licensed manufacturer for the subject site will either be MWS or Pinnacle Manufacturing. The tanks will hold between 40,000-42,000 barrels, are between 153'-158' in diameter, and plan to be on location for 84 days. Once completions operations are complete, this area will be completely reclaimed. Encana certifies that the MLVTs are designed and implemented consistent with the June 13, 2014 "Policy on the Use of Modular Large Volume Tanks in Colorado." Please see attached map for the location of the tanks.

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

Signed: _____ Date: 01/04/2018 Email: toby.sachen.contractor@crestonepr.com

Print Name: Toby Sachen Title: Contractor

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	Planning	Maximize equipment and wellhead setbacks from occupied buildings and residences to the extent feasible and practicable, as determined by Crestone Peak Resources.
2	Planning	For the Identified Well Pads, the minimum distance between a well or surface equipment, and the nearest exterior wall of an existing Erie Building Unit (as of the Effective Date) shall not be less than the following: Cosslett 1,150 feet
3	Planning	Crestone Peak Resources shall conduct all operations in accordance with the plans discussed during the Conceptual Review Process as updated from time to time.
4	Community Outreach and Notification	<p>"Maximize equipment and wellhead setbacks from occupied buildings and residences to the extent feasible and practicable as determined by Crestone Peak Resources. Prior to commencement of any new drilling or completion operations, provide to an Erie designated staff member the following for the well-site for informational purposes only, which Crestone Peak Resources may revise from time to time during operations:</p> <ul style="list-style-type: none"> a) A summary of planned operations, including identified access points and operational timeline, for posting to a local community information web-page b) A site plan for site preparation, mobilization and demobilization c) A plan for interim reclamation and vegetation of the site and final reclamation of the site d) A plan for noise, light and dust mitigation, to the extent feasible e) A traffic management plan f) Updates of this information if any change during operations"
5	Community Outreach and Notification	Crestone Peak Resources shall include its contact information on both the mailed notice required by Article III, Section 8 and the posted notice required by Article III, Section 9. This information shall include both a telephone number for Crestone Peak Resources and the address and hours of Crestone Peak Resources's Erie community office. Members of the public with concerns or complaints regarding the oil and gas development covered by this Agreement may use this information to speak with Crestone Peak Resources.
6	Traffic control	604.c.(2)D - a traffic plan shall be coordinated with the local jurisdiction prior to commencement of move in and rig up. Any subsequent modification to the traffic plan will be coordinated with the local jurisdiction.
7	Traffic control	To reduce truck traffic, Erie and Crestone Peak Resources will encourage the use of nearby water resources for the drilling and hydraulic fracturing of wells at the pad sites, including the use of Erie municipal water when determined technically feasible and economically practicable by Crestone Peak Resources.
8	Traffic control	Crestone Peak Resources will implement the Traffic Management Plan required by Article III, Section 3, Subpart 10.
9	General Housekeeping	604.c.(2)D - a traffic plan shall be coordinated with the local jurisdiction prior to commencement of move in and rig up. Any subsequent modification to the traffic plan will be coordinated with the local jurisdiction.
10	General Housekeeping	All surface trash, debris, scrap or discarded material connected with the operations of the property shall be removed from the premises or disposed of in a legal manner.
11	General Housekeeping	The well site will be cleared of all non-essential equipment, trash and debris after ninety days of a well P&A.
12	General Housekeeping	Crestone Peak Resources will identify plugged and abandoned wellbores according to Rule 319.a.(5). including the location of the wellbore with a permanent monument as specified in Rule 319.a.(5). Crestone Peak Resources will also inscribe or imbed the well number and date of plugging upon the permanent monument.

13	General Housekeeping	Crestone Peak Resources will install down cast lighting or some other form of lighting that mitigates light pollution and spill-over onto adjacent properties; provided, however, that Crestone Peak Resources may still use lighting that is necessary for public and occupational safety.
14	General Housekeeping	Crestone Peak Resources will recycle and reuse water at the pad sites and otherwise minimize waste water production to the extent that it determines such recycling, reuse, and waste water minimization is technically and economically feasible.
15	General Housekeeping	<p>"Road repairs.</p> <p>(a) Erie and Crestone Peak Resources recognize that truck traffic accessing the Identified Well Pads may cause damage to Erie roads and that road repairs may be needed to mitigate such damage. To this end, Crestone Peak Resources will arrange for a qualified outside consultant to perform a road impact study for all Erie roads that are used to access an Identified Well Pad during the Term of this Agreement. The consultant will conduct the first part of the study prior to Crestone Peak Resources's operations at such Well Pad and the second part of the study after Crestone Peak Resources completes all drilling and hydraulic fracturing at such Well Pad. Crestone Peak Resources and Erie will use these studies to determine the extent of any damage accruing to the road during the study period. Crestone Peak Resources will then promptly pay Erie to repair such damage or else arrange and pay the cost of such repairs itself whichever Erie prefers.</p> <p>(b) Crestone Peak Resources shall maintain Financial Assurance to secure its road repair obligations under this Agreement. The amount of such Financial Assurance shall equal Erie's annual road maintenance budget as of the Effective Date multiplied by the percentage yielded by dividing the total number of Erie road miles as of the Effective Date into the number of such road miles that Crestone Peak Resources will use to access the Identified Well Pads. Crestone Peak Resources shall select the form of such Financial Assurance and shall maintain such Assurance until Crestone Peak Resources fulfills its obligation to repair road damage under Subsection (a). "</p>
16	General Housekeeping	Access roads to well and production facilities that connect to a street within Erie shall be improved from the point of connection to a street within Erie a minimum distance of two hundred (200) feet on the access road as specified by the then current requirements of the Code.
17	General Housekeeping	Oil and gas well facilities (above ground) within the Erie Town Limits shall be fenced as specified by the then current requirements of the Code.
18	General Housekeeping	Upon the request of either party, the Parties may revise one or more of these BMPs if they mutually agree such revision would better avoid or mitigate impacts the BMP(s) is intended to address.
19	Wildlife	The nests near the Cosslett location are greater than 200 yards from the well pads. If development of these sites is necessary during the nesting season, monitoring of the impact on the nest is recommended to ensure that the nests are not disturbed and to ensure compliance with COGCC 1200 Series Rules.
20	Material Handling and Spill Prevention	<ul style="list-style-type: none"> • Annual hydrostatic test on the oil dump line from the separator to the tank battery. • Annual hydrostatic "static" tests on our oil tanks. • Annual hydrostatic "static" tests on our produced water tank and water dump line from the separator to the produced water tank. • Lease Operator inspections of all equipment not to exceed 48 hours. • Monthly documented inspections (EU). • Annual environmental inspections of all battery and well equipment and pads. • Annual UT inspections of the pressure vessels and input into Crestone Peak Resources's RIPL Predictive Integrity Maintenance Program. (HLP separators and fuel gas separators)"

21	Material Handling and Spill Prevention	Well effluent containing more than ten (10) barrels per day of condensate or within two (2) hours after first encountering hydrocarbon gas of salable quality will be directed to a combination of sand traps, separators, surge vessels, and tanks as needed to ensure safe separation of sand, hydrocarbon liquids, water, and gas and to ensure salable products are efficiently recovered for sale or conserved and that non-salable products are disposed of in a safe and environmentally responsible manner.
22	Material Handling and Spill Prevention	All loadlines will be capped for every location in the DJ.
23	Construction	The pad will be constructed in such a manner that noise mitigation may be installed and removed without disturbing the site or landscaping.
24	Construction	Crestone Peak Resources utilizes 24" tall corrugated galvanized metal berm walls with a capacity in excess of 150% of the largest tank contained within the wall. In addition, Crestone Peak Resources best practices mandates the use of impervious liners that extends under each storage tank and up the walls, permanently affixed to the top of the metal berm wall. Protrusions of piping that come through the liner include a fully sealed "boot" to prevent leakage.
25	Construction	Crestone Peak Resources will install fencing to restrict access to wellheads and equipment.
26	Construction	At the time of construction, all leasehold roads will be constructed to accommodate local emergency vehicle access requirements, and will be maintained in a reasonable condition.
27	Construction	803 - To the extent practicable, site lighting shall be directed downward and inward and shielded so as to avoid glare on public roads and Building Units within one thousand (1000) feet.
28	Noise mitigation	Crestone Peak Resources will perform a baseline noise survey prior to any operational activity measuring dBA at a distance 350 feet from the noise source (unless there is an occupied structure closer than that – then measurement will be taken 25 feet from the structure). If low frequency noise is a concern, measurement of dBC will be taken 25 feet from the occupied structure towards the noise source. As necessary, based on the survey, Crestone Peak Resources will install temporary sound walls to minimize noise and light impacts during drilling and completions and will install permanent noise mitigation at the facility location as necessary to meet all COGCC regulations.
29	Noise mitigation	"Crestone Peak Resources will comply with the following noise mitigation requirements at all pad sites: (a) For db(A) scale noise, Crestone Peak Resources will insure that the noise level from operations subject to the light industrial zone noise standard under COGCC Regulations 802.b and 604.c.(2)(A) does not exceed sixty (60) db(A) and that the noise level from operations subject to the industrial zone noise standard under COGCC Regulations 802.b and 604.c.(2)(A) is reduced at least five (5) db(A) below the maximum level permitted by those Regulations. For this purpose, the noise level shall be measured as set forth in COGCC Regulations 802.b & c, except no measurements shall be taken when traffic is passing the sound level meter, Crestone Peak Resources shall be present during all measurements, and building units shall be limited to those units existing as of the Effective Date. As set forth in COGCC Regulation 802.b, the noise levels shall be subject to increase for a period not to exceed fifteen (15) minutes in any one (1) hour period and reduction for periodic, impulsive or shrill noises. (b) For db(C) scale noise, Crestone Peak Resources shall comply with the requirements of COGCC Regulation 802, "

30	Emissions mitigation	Flow lines, separators, and sand traps capable of supporting green completions as described in Rule 805 will be installed on subject location at which commercial quantities of gas are reasonably expected to be produced based on existing adjacent wells within 1 mile.
31	Emissions mitigation	Crestone Peak Resources will follow and comply with all leak detection and repair and storage tank emission management plan conditions as required by Colorado Air Quality Control Commission Regulation Number 7. This will include at least monthly Audible, Visual and Olfactory (AVO) inspections of the components and tanks at our Production Facilities at most weekly or at least monthly starting on January 1, 2015. In addition, Crestone Peak Resources will perform infra-red camera inspections of these components and the storage tanks at most monthly or at least annually.
32	Emissions mitigation	Current Crestone Peak Resources drilling operations into and through productive horizons are planned to keep a hydrostatic "over-balance" on the formation. Crestone Peak Resources does not intentionally drill ahead with flares and in cases where we do have flares, they are intermittent and only kept for the amount of time it takes to raise our drilling fluid weight to be over-balanced again. In more extreme cases of Well Control Operations, it's possible to encounter a prolonged flare. This is required in order to bring operations back to normal and ensure proper safety of the rig/rig crews involved during this operation. These flaring instances are rare, but do occur. Crestone Peak Resources typically has a good understanding of the pore pressures and will plan accordingly in order to help mitigate potential light impacts to nearby residents.
33	Emissions mitigation	In an effort to reduce air emissions, Crestone Peak Resources intends to construct a central gathering and storage facility at a location in 1N-68W-Section 21 (the "Hub") to receive liquids from the wells which are the subject of this Agreement. As a result, Crestone Peak Resources will not install hydrocarbon storage tanks at these pad sites, which will eliminate potential sources of hydrocarbons from the sites. However, Crestone Peak Resources will still install at the pad sites all other equipment and facilities necessary for the production of hydrocarbons, including wellhead equipment, separation equipment, electrical equipment, and temporary flowback equipment (including temporary storage tanks). In addition, this BMP is subject to Article IV, Sections 3 and 4 of the Agreement
34	Emissions mitigation	<p>"Well leak detection and repair</p> <p>(a) To identify leaks, Crestone Peak Resources will perform audio, visual and olfactory inspections on a monthly basis at all of its new and existing wells and related facilities and equipment within Erie's Town Limits, provided that such related facilities and equipment are located on the pads for such wells, are part of adjacent tanks used for such pad sites, or are part of storage tanks for such pad sites authorized under Article IV, Section 4 of the Operator Agreement. Crestone Peak Resources will also inspect each such well with an infra-red camera on a monthly basis. The initial baseline inspections will occur within sixty (60) calendar days after the Effective Date. After a well has produced for twelve (12) months, the frequency of such inspections shall decrease from monthly to quarterly. If Crestone Peak Resources determines that any repairs are required based on these inspections, Crestone Peak Resources will promptly initiate these repairs.</p> <p>(b) Crestone Peak Resources will report to Erie on the inspection results and any associated repairs the month after the inspection or repair occurs. This information will be collectively reported on a monthly basis in the same format that Crestone Peak Resources uses for reporting to the Air Pollution Control Division under Regulation 7, but that is specific to wells located within the Erie Town Limits. Erie will make this information publicly available.</p> <p>(c) This BMP will terminate five (5) years after the Effective Date, after which Crestone Peak Resources will continue to comply with the leak detection, repair, and reporting requirements of Regulation 7, as such requirements may be amended.</p> <p>"</p>
35	Drilling/Completion Operations	Crestone Peak Resources will utilize a closed loop system for drilling operations at this location.

36	Drilling/Completion Operations	Crestone Peak Resources will not utilize pits.
37	Drilling/Completion Operations	Crestone Peak Resources will employ a rig without kelly that has double ram with blind and pipe ram and an annular preventer. At least one person at the well site during drilling operations will have Mineral Management certification or Director approved training for blowout prevention.
38	Drilling/Completion Operations	Upon initial rig-up and at least once every thirty (30) days during drilling operations thereafter, pressure testing of the casing string and each component of the blowout prevention equipment including flange connections will be performed to seventy percent (70%) of working pressure or seventy percent (70%) of the internal yield of casing, whichever is less. Pressure testing will be conducted and the documented results will be retained by the operator for inspection by the Director for a period of one (1) year. Activation of the pipe rams for function testing will be conducted on a daily basis when practicable.
39	Drilling/Completion Operations	All newly installed or replaced crude oil and condensate storage tanks will be designed, constructed, and maintained in accordance with National Fire Protection Association (NFPA) Code 30 (2008 version). Crestone Peak Resources will maintain written records verifying proper design, construction, and maintenance, and will make these records available for inspection by the Director. In addition, onsite inspections are conducted internally to insure guidelines are met.
40	Drilling/Completion Operations	Adequate blowout prevention equipment will be used on all well servicing operations.
41	Drilling/Completion Operations	Crestone Peak Resources shall use closed-loop systems for drilling and completion operations.
42	Drilling/Completion Operations	Crestone Peak Resources has developed and implemented a company-wide Responsible Products Program to manage the fluid products used in its hydraulic fracturing operations. This Responsible Products Program helps Crestone Peak Resources evaluate the hydraulic fracturing fluid products it uses in its operations for safety, effectiveness and potential public health and environmental impacts. As part of this program, Crestone Peak Resources has informed all of its hydraulic fracturing fluid product suppliers that any products containing diesel fuels (as defined by EPA 816-R-12-004), 2-Butoxyethanol (2-BE), benzene or heavy metals (i.e. lead, mercury, arsenic, cadmium and chromium) cannot be used in hydraulic fracturing at Crestone Peak Resources operations. Crestone Peak Resources will continue to conduct its hydraulic fracturing operations within the Erie town limits in accordance with its Responsible Products Program.
43	Underground Injection Control	Crestone Peak Resources shall not develop any new Class II underground injection control wells within the Operator Agreement Area during the Term of this Agreement.

Total: 43 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401120263	FORM 2A SUBMITTED
401460191	ACCESS ROAD MAP
401460193	WASTE MANAGEMENT PLAN
401460196	LOCATION PICTURES
401460198	LOCATION DRAWING
401494486	NRCS MAP UNIT DESC
401494487	NRCS MAP UNIT DESC
401494488	NRCS MAP UNIT DESC
401496936	MULTI-WELL PLAN
401501910	HYDROLOGY MAP
401508253	SURFACE AGRMT/SURETY

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
		Stamp Upon Approval

Total: 0 comment(s)

Public Comments

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

