

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:

401476734

Date Received:

12/20/2017

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:

454199

Expiration Date:

03/04/2021

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: 10657

Name: PCR OPERATING LLC

Address: 4040 BROADWAY STREET #510

City: SAN ANTONIO State: TX Zip: 78209

Contact Information

Name: David Kunovic

Phone: (210) 451-5545

Fax: (210) 463-9297

email: dkunovic@passcreekresources.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20170044 Gas Facility Surety ID: _____

Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: JESS

Number: 158-13-34

County: MORGAN

Quarter: SWSE Section: 13 Township: 1N Range: 58W Meridian: 6 Ground Elevation: 4569

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: 330 feet FSL from North or South section line

1650 feet FEL from East or West section line

Latitude: 40.045120 Longitude: -103.817160

PDOP Reading: 1.6 Date of Measurement: 11/16/2017

Instrument Operator's Name: Adam Short

Name: Tamara L. Jess

Phone: _____

Address: 17265 CR V

Fax: _____

Address: _____

Email: _____

City: Ft. Morgan State: CO Zip: 80701

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 _____

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:	2763 Feet	2682 Feet
Building Unit:	2860 Feet	2779 Feet
High Occupancy Building Unit:	5280 Feet	5280 Feet
Designated Outside Activity Area:	5280 Feet	5280 Feet
Public Road:	302 Feet	221 Feet
Above Ground Utility:	281 Feet	200 Feet
Railroad:	5280 Feet	5280 Feet
Property Line:	330 Feet	249 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: Weld loam - WmA
 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: _____

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: 467 Feet

water well: 2914 Feet

Estimated depth to ground water at Oil and Gas Location 60 Feet

Basis for depth to groundwater and sensitive area determination:

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 _____

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

The proposed well will be an infill injection well located in a portion of the field that has not been adequately water flooded. The well will be drilled to the top of the J sand and a 60 ft. core will be taken for special core analysis (SCAL). The well will then be drilled to TD in the Skull Creek shale - casing will be run to TD. A CBL will be run. The well will perforated in the J-Sand - 2 3/8" tubing and injection packer will be set approximately 50 ft above the J Sand perms and then injectivity testing will be run to determine what type of surface injection facilities/equipment will be required. A Form 2 and a Form 33 will be submitted along with this Form 2A.

We plan to recycle the drilling fluids to another pit for reuse. First well – Jess 158-13-34 drilling fluids (pit contents) will be transported to second well – Jess 158-13-43. Then transported to third well – Clar 158-24-21. Surface owner has approved Drying and burial in pit and Land application of the water-based bentonitic drilling fluids.

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

Signed: _____ Date: 12/20/2017 Email: dkunovic@passcreekresources.com

Print Name: David Kunovic Title: VP Exploration

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: 3/5/2018

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	Drilling/Completion Operations	Rule 604.c.(2)J.ii Backup stabbing valves be required on well servicing operations during reverse circulation. Valves shall be pressure tested before each well servicing operation both low-pressure and high pressure fluid.
2	Drilling/Completion Operations	Rule 604.c(2)I Rule 604.c.I: 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 shall be performed to seventy (70%) of working pressure or seventy (70%) of the internal yield of casing, whichever is less. Pressure testing shall be conducted and the documentation results shall 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 shall be conducted on a daily basis when practicable.
3	Interim Reclamation	Rule 1003.d(1) Drilling pit closure on crop land and within 100 year floodplain. Drilling pit reclamation, including the disposal of drilling fluids and cuttings, shall be performed in a manner so as to not result in the formation of an impermeable barrier. Any cuttings removed from the pit for drying shall be returned to the pit prior to backfilling, and no more than de minimis amounts may be incorporated into the surface materials. After the drilling pit is sufficiently dry, the pit shall be backfilled. The backfilling of the drilling pit shall be done to return the soils to their original relative positions. Closing of the drilling pit shall occur no later than three (3) months after drilling and completion activities conclude.

Total: 3 comment(s)

Attachment Check List

Att Doc Num	Name
901662	SURFACE AGRMT/SURETY
2316290	HYDROLOGY MAP
2316291	LOCATION DRAWING
2316292	WASTE MANAGEMENT PLAN
2316295	FACILITY LAYOUT DRAWING
401476734	FORM 2A SUBMITTED
401478846	ACCESS ROAD MAP
401478854	LOCATION PICTURES
401478861	TOPO MAP
401478863	WELL LOCATION PLAT
401478864	NRCS MAP UNIT DESC

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	02/28/2018
Permit	Corrected right to construct to SUA and attached SUA per operator request. Removed open hole logging BMP as it is not applicable to the Form 2A.	02/28/2018
OGLA	Operator provided revised Location Drawing and Hydrology map (replaced). Updated cultural distances to be from the water tank on location 81 feet south of the well - Facility layout drawing attached as post interim reclamation. Phone conversation with the Operator that injection well is for their producing wells and not a commercial facility. Location is not a designated setback location. OGLA review complete and task passed.	02/14/2018
OGLA	Operator responded with surface agreement for cuttings and fluids and added description to Operator comments. Waiting on revised location drawing. Operator concurred to remove reference area map and photos and related remote location.	02/07/2018
OGLA	OGLA REVIEW: Drilling pit – This is an injection well - check Form 33 status with Engineering. need to add remote related production, need land application information, cultural distances for production from remote, not from tank battery, location drawing and hydrology have well only and not the disturbed area, cropland – do not need reference area map or pictures, and facility layout is for the off -site production. Spoke to Operator on the phone and sent email 1/22/2018.	01/19/2018
LGD	Please contact Morgan County Planning and Zoning; a conditional use permit will be required.	01/05/2018
Permit	Passed Completeness. Review right to construct and surface damage assurance.	12/29/2017

Total: 7 comment(s)