

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:

401572671

Date Received:

03/15/2018

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:

454833

Expiration Date:

04/22/2021

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: 10660
 Name: K3 OIL & GAS OPERATING COMPANY
 Address: 24900 PITKIN RD STE 305
 City: THE WOODLANDS State: TX Zip: 77386

Contact Information

Name: John Marvin
 Phone: (303) 241-9391
 Fax: (832) 234-0825
 email: johnm@flatironsllc.com

RECLAMATION FINANCIAL ASSURANCE

- Plugging and Abandonment Bond Surety ID: 20170069 Gas Facility Surety ID: _____
- Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: James Number: 6-3
 County: LINCOLN
 Quarter: SE Section: 3 Township: 15S Range: 55W Meridian: 6 Ground Elevation: 5144

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: 2100 feet FNL from North or South section line
2300 feet FWL from East or West section line

Latitude: 38.772390 Longitude: -103.544490

PDOP Reading: 1.6 Date of Measurement: 07/20/2017

Instrument Operator's Name: Craig Burke

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>4</u>	Condensate Tanks*	<u> </u>	Water Tanks*	<u>1</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>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> </u>	Flare*	<u> </u>	Pigging Station*	<u> </u>

OTHER FACILITIES*

Other Facility Type

Number

ECD	<u>1</u>
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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:

In the event of production, a flowline from the well to the tank battery will be installed. The flowline will consist of 3" poly pipe, pressurized 0-40# PSI, buried at least 4' below surface. The tank battery will be used solely for the James 6-3 and will be located at 2180' FNL and 2290' FWL 3-15S-55W. We request to include the tank battery with this Form 2A for the James 6-3 well and will submit a production layout drawing and pictures, in the event of production.

CONSTRUCTION

Date planned to commence construction: 05/01/2018 Size of disturbed area during construction in acres: 2.80
Estimated date that interim reclamation will begin: 07/01/2018 Size of location after interim reclamation in acres: 1.00
Estimated post-construction ground elevation: 5144

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: Evaporation

Cutting Disposal: ONSITE Cuttings Disposal Method: Drilling pit

Other Disposal Description:

Dewater and backfill.

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: Mark and Linda James

Phone: 719-446-5318

Address: 27333 County Road U

Fax: _____

Address: _____

Email: _____

City: Hugo State: CO Zip: 80821

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 07/27/2017

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	5280 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:	2767 Feet	2777 Feet
Above Ground Utility:	2771 Feet	2781 Feet
Railroad:	5280 Feet	5280 Feet
Property Line:	2100 Feet	1960 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 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: Wiley silt loam, 0 to 3 percent slopes
- NRCS Map Unit Name: Midway-Razor clay loams, moist, 5 to 15 percent slopes
- NRCS Map Unit Name: Valent-Vona complex, 3 to 25 percent slopes, Olnest sandy loam, 0 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: 07/25/2017

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: 2716 Feet

water well: 5280 Feet

Estimated depth to ground water at Oil and Gas Location 30 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 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

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 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).

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

Signed: _____ Date: 03/15/2018 Email: henson.barnes@k3oil.com

Print Name: Henson Barnes Title: Land Manager

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: 4/23/2018

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

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	General Housekeeping	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.
2	Storm Water/Erosion Control	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.

Total: 2 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401572671	FORM 2A SUBMITTED
401575685	ACCESS ROAD MAP
401575690	HYDROLOGY MAP
401575691	LOCATION DRAWING
401575692	OTHER
401575693	LOCATION PICTURES
401575694	REFERENCE AREA PICTURES
401575697	REFERENCE AREA MAP
401575703	TOPO MAP
401575956	SURFACE AGRMT/SURETY
401575957	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.	04/19/2018
OGLA	OGLA Review Complete.	04/12/2018
OGLA	Moved the following from the BMP List to the Submit Tab as it is not an enforceable BMP under COGCC Rules. "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)."	04/12/2018
OGLA	Missing emissions controls. - Per Operator request, added 1 ECD to the Other Facilities List. Changed the Attachment Name from Facilities Layout Drawing to OTHER as it does not meet the requirements of a Facility Layout Drawing. Changed the Drill Cuttings Disposal Method from OTHER to DRILLING PIT. Changed the estimated depth to groundwater to 30 feet as the reported 46-foot is the depth of the well and the static water level is 30 feet.	04/12/2018
LGD	County Permit # 1806	03/30/2018
Permit	Passed Completeness.	03/23/2018

Total: 6 comment(s)