

STATE OF
COLORADO

Andrews - DNR, Doug <doug.andrews@state.co.us>

COGCC Form 2A review of Mallard Exploration's Ancona Pad location - Doc #4016691296 messages

Andrews - DNR, Doug <doug.andrews@state.co.us>

Wed, Jul 11, 2018 at 10:42 AM

To: Regulatory Team <regulatory@ascentgeomatics.com>, Shanelle Deater - DNR <shanelle.deater@state.co.us>

Justin,

I have reviewed the referenced Form 2A Oil & Gas Location Assessment and have the following comments.

- 1) In the Location Identification section and Construction section Mallard has indicated the ground elevation and post-construction elevation for this location is 4,855 feet ASL. During my review it appears the ground elevation for this location is around 5,010 feet ASL. The related Form 2 APDs also indicate a ground elevation of around 5,010 feet ASL. Please review this information and let me know if these two ground elevations on the Form 2A need to be revised.
- 2) In the Construction section Mallard has indicated the size of the disturbed area during construction will be 22.4 acres and after interim reclamation will be 12.2 acres. This seems rather excessive for a 7 well/21 tank/7 separator pad. Mallard has submitted a Form 2A for their Whistling Pad also in this same Section that proposes the same number of wells/tanks/separators/etc. However, the Whistling Pad proposes only 11.3 acres during construction and 5.2 acres after interim reclamation. That seems a more reasonable sized surface disturbance. Please provide additional information as to why this Ancona Pad needs so much more disturbance area when it will have no more additional wells and production facilities than a similar Mallard pad immediately to the east. If Mallard needs to revise this disturbance area, please also provide a revised Location Drawing that reflects this change.
- 3) In the Surface & Minerals section Mallard has indicated the right to construct this location is granted by a Surface Use Agreement (SUA). The SUA attached to this Form 2A is for lands owned by Dennis & Cathy Schulte in Township 7 North, Range 60 West and the southeast quarter of Section 29, Township 8 North, Range 62 West (see attached screenshot). However, this proposed Oil & Gas location is in Section 29, Township 8 North, Range 61 West. Please provide me with an executed copy of the SUA that covers the correct Section, Township, & Range.

Please respond to this correspondence by August 11, 2018. If you have any questions, please contact me. Thank you.

EASEMENT, RIGHT-OF-WAY, AND SURFACE USE AGREEMENT

This Easement, Right-of-Way and Surface Use Agreement ("**Agreement**") is entered into and effective this **May 31, 2018** by and between **Dennis L. Schulte and Cathy L. Schulte**, whose mailing address is **1522 9th Avenue, Greeley, CO 80631** (collectively the "**Owner**"), and **DPOC, LLC** ("**Operator**"), with offices at **1400 16th Street, Suite 300, Denver, CO**.

WITNESSETH:

For and in consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **OWNERSHIP.** Owners are the surface owner of certain lands more particularly described as follows:

Township 07 North, Range 60 West of the 6th P.M.

Southeast Quarter (SE1/4), Section 29, Township 8 North, Range 62 West of the 6th P.M., Weld County, Colorado (herein the "Owner's Property")

Doug Andrews

Oil & Gas Location Assessment Specialist - Northeast Colorado



303.894.2100 Ext. 5180
1120 Lincoln St., Suite 801, Denver, CO 80203
doug.andrews@state.co.us | <http://cogcc.state.co.us/>

Justin Garrett <jgarrett@ascentgeomatrics.com>

Wed, Jul 11, 2018 at 11:30 AM

To: "Andrews - DNR, Doug" <doug.andrews@state.co.us>, Regulatory <regulatory@ascentgeomatrics.com>, Shanelle Deater - DNR <shanelle.deater@state.co.us>

Doug –

I am going to have to ask Mallard about the SUA.

I believe it to be a typo, since they have the correct S-T-R information in the Exhibit A.

That same exhibit also shows more wells than the 7 we are currently permitting are planned for this location in the future, which I believe is why the location disturbance is so large, but I will confirm.

Thank you

Justin Garrett

Regulatory Analyst

Ascent Geomatics Solutions (Formerly PFS)

7535 Hilltop Circle

Denver, Colorado 80221

Office: 303-928-7128

Fax: 303-218-5678

TBPLS Firm Registration No. 10194123



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From: Andrews - DNR, Doug [mailto:doug.andrews@state.co.us]
Sent: Wednesday, July 11, 2018 10:43 AM
To: Regulatory; Shanelle Deater - DNR
Subject: COGCC Form 2A review of Mallard Exploration's Ancona Pad location - Doc #401669129

Justin,

I have reviewed the referenced Form 2A Oil & Gas Location Assessment and have the following comments.

1) In the Location Identification section and Construction section Mallard has indicated the ground elevation and post-construction elevation for this location is 4,855 feet ASL. During my review it appears the ground elevation for this location is around 5,010 feet ASL. The related Form 2 APDs also indicate a ground elevation of around 5,010 feet ASL. Please review this information and let me know if these two ground elevations on the Form 2A need to be revised. **Please change the 2A elevations to 5008'.**

2) In the Construction section Mallard has indicated the size of the disturbed area during construction will be 22.4 acres and after interim reclamation will be 12.2 acres. This seems rather excessive for a 7 well/21 tank/7 separator pad. Mallard has submitted a Form 2A for their Whistling Pad also in this same Section that proposes the same number of wells/tanks/separators/etc. However, the Whistling Pad proposes only 11.3 acres during construction and 5.2 acres after interim reclamation. That seems a more reasonable sized surface disturbance. Please provide additional information as to why this Ancona Pad needs so much more disturbance area when it will have no more additional wells and production facilities than a similar Mallard pad immediately to the east. If Mallard needs to revise this disturbance area, please also provide a revised Location Drawing that reflects this change.

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Doug Andrews

Oil & Gas Location Assessment Specialist - Northeast Colorado



303.894.2100 Ext. 5180

1120 Lincoln St., Suite 801, Denver, CO 80203

doug.andrews@state.co.us | <http://cogcc.state.co.us/>

Justin Garrett <jgarrett@ascentgeomatics.com>

Wed, Jul 11, 2018 at 3:55 PM

To: "Andrews - DNR, Doug" <doug.andrews@state.co.us>, Regulatory <regulatory@ascentgeomatics.com>, Shanelle Deater - DNR <shanelle.deater@state.co.us>

https://mail.google.com/mail/u/0/?ui=2&ik=6cde1142d7&jsver=hlCmByCRTIM.en.&cbl=gmail_fe_180711.12_p1&view=pt&search=inbox&th=164a4a3752840b36&siml=1648a392a0fa465c&siml=1648a... 5/10

Doug –

I have confirmed that the SUA had a typo. Mallard has provided a corrected SUA that is attached.

Mallard also confirmed that the location was intentionally designed to accommodate additional wells. Here is a statement that can be added as a comment if you wish:

Mallard Exploration negotiated a SUA with the surface owner to cover the maximum surface disturbance and the maximum number of wells and production equipment that could be installed at this location. At this time, it is anticipated that 7 wells will be drilled from this location into the north half of Section 28. However, Mallard does have additional leasehold in neighboring sections including the south half of 29 and the south half of 28. If at the time these units are drilled, it is economically or technically more feasible or more efficient to drill this acreage from a single pad, the Ancona SUA and disturbance area will be sized appropriately. Should the decision be made to use one pad, the Form 2A and APDs will be amended accordingly. If the Ancona pad is only used to develop 7 wells, Mallard will scale down the size of the pad accordingly, minimizing the amount of surface disturbance as much as possible.

Please let me know if you need any further response towards your comments.

Thank you

Justin Garrett

Regulatory Analyst

Ascent Geomatics Solutions (Formerly PFS)

7535 Hilltop Circle

Denver, Colorado 80221

Office: 303-928-7128

Fax: 303-218-5678

TBPLS Firm Registration No. 10194123



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From: Andrews - DNR, Doug [mailto:doug.andrews@state.co.us]
Sent: Wednesday, July 11, 2018 10:43 AM
To: Regulatory; Shanelle Deater - DNR
Subject: COGCC Form 2A review of Mallard Exploration's Ancona Pad location - Doc #401669129

Justin,

[Quoted text hidden]

 **4408474 Schulte 29-8-61 SE - Reviewed.pdf**
560K

Andrews - DNR, Doug <doug.andrews@state.co.us>
To: Justin Garrett <jgarrett@ascentgeomatics.com>
Cc: Regulatory <regulatory@ascentgeomatics.com>, Shanelle Deater - DNR <shanelle.deater@state.co.us>

Wed, Jul 11, 2018 at 4:14 PM

Justin,

Regardless of the total amount of Surface Use the Agreement between Mallard and the Surface Owner allows, if Mallard is only going to permit seven wells at this time then we are not going to approve a Form 2A for the Ancona Pad with a disturbance area of 22.4 acres. If/when Mallard does drill additional wells on this location, they will need to amend the Form 2A to do so anyway. At that time Mallard can ask for additional surface disturbance. Mallard needs to adjust this Form 2A to reflect the minimum amount of surface disturbance needed to drill seven wells to remain in compliance with COGCC Rule 1002.e. requiring minimization of surface disturbance. Based on the Form 2A for Mallard's Whistling Pad in this same section, which proposed the same number of wells/tanks/separators/etc., I would expect a Location Drawing and disturbed area acreage to be very similar.

Doug Andrews

Oil & Gas Location Assessment Specialist - Northeast Colorado



303.894.2100 Ext. 5180
1120 Lincoln St., Suite 801, Denver, CO 80203
doug.andrews@state.co.us | <http://cogcc.state.co.us/>

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Andrews - DNR, Doug <doug.andrews@state.co.us>
To: John Noto - DNR <john.noto@state.co.us>

Thu, Jul 12, 2018 at 1:09 PM

Here is the email correspondence regarding the large disturbance area that Mallard would like to speak with us about today.

Doug Andrews

Oil & Gas Location Assessment Specialist - Northeast Colorado



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doug.andrews@state.co.us | <http://cogcc.state.co.us/>

[Quoted text hidden]

Justin Garrett <jgarrett@ascentgeomatics.com>

Mon, Jul 16, 2018 at 1:48 PM

Doug –

I have attached a revised Location Drawing showing a disturbance of 11.3 acres, with an post-interim reclamation disturbance of 5.2 acres.

Re-arranging the facilities to accommodate the smaller disturbance led to the adjustment of some 2A cultural distances to production facility:

Distance to nearest	Distance
Building	2702' NW
Building Unit	4101' NE
High Occupancy Building Unit	5280' N
DOAA	5280' W
Public Road	2665' N
Above Ground Utility	2524' NE
Railroad	5280' W
Property Line	222' E

Please let me know if this is sufficient.

Thank you

Justin Garrett

Regulatory Analyst

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Denver, Colorado 80221

Office: 303-928-7128

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From: Justin Garrett

Sent: Wednesday, July 11, 2018 3:56 PM

To: Andrews - DNR, Doug; Regulatory; Shanelle Deater - DNR

Subject: RE: COGCC Form 2A review of Mallard Exploration's Ancona Pad location - Doc #401669129

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 **Ancona Pad 8N61WW29 Location Drawing (smaller DA).pdf**
770K