

FORM
2A

Rev
04/18

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:

401645468

Date Received:

05/31/2018

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:

456368

Expiration Date:

07/26/2021

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: 10670
 Name: MALLARD EXPLORATION LLC
 Address: 1400 16TH STREET SUITE 300
 City: DENVER State: CO Zip: 80202

Contact Information

Name: Erin Mathews
 Phone: (720) 543 7951
 Fax: ()
 email: emathews@mallardexploration.com

FINANCIAL ASSURANCE

- Plugging and Abandonment Bond Surety ID (Rule 706): 20170115 Gas Facility Surety ID (Rule 711): _____
- Waste Management Surety ID (Rule 704): _____

LOCATION IDENTIFICATION

Name: Khaki Campbell East Number: Pad
 County: WELD
 Quarter: SWSE Section: 24 Township: 8N Range: 62W Meridian: 6 Ground Elevation: 5024

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: 512 feet FSL from North or South section line
1442 feet FEL from East or West section line

Latitude: 40.641029 Longitude: -104.263624

PDOP Reading: 1.7 Date of Measurement: 05/07/2018

Instrument Operator's Name: Aaron Rivera

SURFACE & MINERALS & RIGHT TO CONSTRUCT

Name: Terry C & Lana K Dressor

Phone: _____

Address: 3 Hutt Drive

Fax: _____

Address: _____

Email: _____

City: Newcastle State: WY Zip: 82701-9002

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: No

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:	2757 Feet	2870 Feet
Building Unit:	4276 Feet	4264 Feet
High Occupancy Building Unit:	5280 Feet	5280 Feet
Designated Outside Activity Area:	5280 Feet	5280 Feet
Public Road:	504 Feet	150 Feet
Above Ground Utility:	564 Feet	210 Feet
Railroad:	5280 Feet	5280 Feet
Property Line:	512 Feet	158 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: 55 - Renohill fine sandy loam, 0 to 6 percent slopes _____

NRCS Map Unit Name: 60 - Shingle clay loam, 0 to 9 percent slopes _____

NRCS Map Unit Name: 86 - Playas _____

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: 05/07/2018

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: 1341 Feet

water well: 3412 Feet

Estimated depth to ground water at Oil and Gas Location 240 Feet

Basis for depth to groundwater and sensitive area determination:

Depth to groundwater taken from permit: 16032
Location is sensitive as it lies within the Upper Crow Creek Designated Groundwater Basin.

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: No

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

Manufacturer of MLVT: Hydrologistics
Size and Volume: Up to two (2) 157' diameter/42,000 BBLs
Anticipated time frame on site: 90 days

No surface water within 1000', therefore no Hydrology Map required.

Mallard Exploration does not anticipate developing this oil and gas location until the completion of a natural gas gathering system and processing plant that will be constructed in the vicinity of the location by a third party. The gathering system and processing plant are anticipated to be operational during the first quarter of 2019. Mallard has entered into a contract with the operator of the gathering system/plant.

In an effort to meet the drilling rig schedule, Mallard respectfully requests that the Form 2A be approved prior to the APDs. Mallard has submitted a spacing application for Section 25, T8N, R62W to be heard at the July 2018 hearing. It is understood that APDs cannot be approved until the spacing application is approved. Therefore to stay on schedule, Mallard asks that the Form 2A be approved prior to the APDs to allow for pad construction to begin ahead of rig arrival.

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

Signed: _____ Date: 05/31/2018 Email: regulatory@ascentgeomatics.com

Print Name: Aaron Cross Title: Permitting Technician

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: 7/27/2018

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.

COA Type	Description
	In the event that pad construction is initiated and a surface disturbance is created, but the related APDs are not approved, operator shall comply with Rule 1003-Interim Reclamation. The subject location's land use was permitted as dry land crop land, therefore interim reclamation shall be initiated no later than 3 months after completion of pad construction in the event that the ADPs are not be approved, or the operator shall meet with COGCC staff to discuss an appropriate timeline and necessary BMPs should the APDs still be In Process as a result of the Spacing Application being continued.

Best Management Practices

No	BMP/COA Type	Description
1	General Housekeeping	804. Visual Impacts: All long term facility structures will be painted a color that enables the facilities to blend in with the natural background color of the landscape, as seen from a viewing distance and location typically used by the public. Maintain appearance with garbage clean-up; a trash bin will be located on site to accumulate waste by the personnel drilling the wells. Site will have unused equipment, trash and junk removed immediately.
2	Storm Water/Erosion Control	Implement and maintain BMPs to control storm water runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).

<p>3 Material Handling and Spill Prevention</p>	<p>1. Integrity testing of flowlines connecting wellheads to the separators: CONSTRUCTION PHASE: The flowlines that Operator uses are designed/constructed/tested to ASME B31.4 and API 1104 standards. Only materials with Material Test Reports (MTRs) provided by the pipeline supplier are used in the construction of the flowlines. Construction is tested with 100% x-ray and is hydrotested per the applicable ASME Code. OPERATIONS PHASE: Pressure testing of the flowlines is conducted on an annual basis. Additionally, Operator is already in compliance with 1104.i. Continuous Pressure Monitoring Requirements of the 1100 Series Flowline Regulations. Operator utilizes a series of standard operating procedures to define our flowline integrity testing program.</p> <p>2. Frequency on valve and fitting inspections: Operator's Lease Operators inspect all equipment on their locations at a minimum of once every 48 hours, but most sites are inspected every 24 hours. Valves and fittings inspections are part of the daily job duties of the lease operators. Any valve or fitting that is found to be leaking is either repaired immediately by the lease operator or shut-in procedures are implemented as described below. Additionally, lease operators conduct a documented monthly inspection of the facility and this includes inspection of all valves and fittings.</p> <p>3. Description of Lease Operator Inspections, Monthly Documented Inspections & Environmental Inspections: The Operator lease operator inspections are done as a routine part of the lease operators job. The lease operator would typically visit each of their assigned locations daily. They conduct a visual inspection of the facility which includes all valves, fittings, wellhead, tanks, vapor control systems and all connections. The lease operator also checks our Scada automation system for system pressures and flows. Pressure and flow sensors are placed on multiple points throughout the system and are specifically designed to measure the system for irregularities that would indicate a leak in the system or change in production of oil, water, or gas. The Scada system is also set-up with alarms that are triggered by anomalous pressure or flows. Low pressure warnings can activate automatic shut-in of the well and system. Lease operator inspections would note any leaks of either gas or fluids which triggers an immediate repair or shut-in. The Lease operators also conduct CDPHE Regulation 7– Audible, Visual, and Olfactory (AVO) inspections, which focus on the tanks and vapor control system. The Regulation 7 AVO is also a documented inspection. In addition, the sites are inspected with optical gas imaging cameras on a routine schedule, annually for compliance purposes with our Spill Prevention Containment and Countermeasures (SPCC) plan, depending on the status of reclamation the sites are also inspected on either a 14-day, 30-day, annual or rain triggered event in accordance with both the COGCC and the CDPHE Stormwater Management Plans (SWMP).</p> <p>4. Measures for when leaks are discovered: If we suspect a leak we shut in the well and hydrotest the line. If it passes, then the well is brought back into production. If there is an actual leak, the well is kept shut in while the leak is found and fixed. Not until the line has passed hydrotesting, would the well be brought back online.</p>
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4	Construction	<p>Operator will have an MLVT Design Package, certified and sealed by a licensed professional engineer, which is on file in their office and available upon request. The site shall be prepared in accordance with the specifications of the design package prior to tank installation; including ensuring that proper compaction requirements have been met.</p> <p>The MLVT will be at least 75 feet from a wellhead, fired vessel, heater-treater, or a compressor with a rating of 200 horsepower or more. It will be placed at least 50 feet from a separator, well test unit, or other non-fired equipment.</p> <p>All liner seams will be welded and tested in accordance with applicable ASTM international standards.</p> <p>Operator will be present during initial filling of the MLVT and the contractor will supervise and inspect the MLVT for leaks during filling.</p> <p>Operator will comply with the testing and re-inspection requirements and associated written standard operating procedures (SOP) listed on the design package.</p> <p>Signs will be posted on the MLVT indicating that the contents are freshwater.</p> <p>The MLVT will be operated with a minimum of 1 foot of freeboard at all times.</p> <p>Access to the MLVT will be limited to operational personnel and authorized regulatory agency personnel.</p> <p>Operator or contractor will conduct daily visual inspections of the exterior wall and surrounding area for integrity deficiencies.</p> <p>Operator will develop a contingency plan/emergency response plan associated with the MLVT and it is on file at their office.</p> <p>A fabric reinforced liner will be utilized. In the event that a tank breach were to occur, the fabric reinforced liner will prevent a “zippering” failure from occurring. The liner will meet the specifications per the design package.</p> <p>Operator acknowledges and will comply with the Colorado Oil & Gas Conservation Commission Policy on the Use of Modular Large Volume Tanks in Colorado dated June 13, 2014.</p>
5	Emissions mitigation	<p>Emissions Mitigation: Operator has contracted with a third party to bring a gas sales lines to the location to send salable quality gas immediately down the sales line. In the event that a sales line connection is not available upon the completion of flowback, operator will follow the policy per the Notice to Operators “Rule 912 Venting or Flaring Produced Natural Gas”. All salable quality gas shall be directed to the sales line as soon as practicable or shut in and conserved in accordance with Rule 805.b.(3)B.v.</p>
6	Interim Reclamation	<p>Operator shall be responsible for segregating the topsoil, backfilling, re-compacting any backfill, reseeding, and re-contouring the surface of any disturbed area so as not to interfere with Owner’s operations and shall reclaim such area to be returned to preexisting conditions as best as possible with control of all noxious weeds.</p>

Total: 6 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401645468	FORM 2A SUBMITTED
401646121	MULTI-WELL PLAN
401646162	NRCS MAP UNIT DESC
401646164	NRCS MAP UNIT DESC
401646165	NRCS MAP UNIT DESC
401650716	LOCATION DRAWING
401650718	LOCATION PICTURES
401658522	SURFACE AGRMT/SURETY
401659075	ACCESS ROAD MAP

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	07/27/2018
Permit	Permitting Review Complete.	07/27/2018
OGLA	OGLA review completed and task passed.	07/09/2018
Permit	Passed Completeness.	06/07/2018

Total: 4 comment(s)