

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:

401732132

Date Received:

## 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:

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: 10689  
 Name: INCLINE OPERATING LLC  
 Address: 5019 N CENTRAL EXPRESSWAY SUITE B  
 City: DALLAS State: TX Zip: 80631

### Contact Information

Name: Julie Friday  
 Phone: (720) 534 0834  
 Fax: ( )  
 email: julie@inclineresources.com

### FINANCIAL ASSURANCE

- Plugging and Abandonment Bond Surety ID (Rule 706): 20180028     Gas Facility Surety ID (Rule 711): \_\_\_\_\_
- Waste Management Surety ID (Rule 704): \_\_\_\_\_

### LOCATION IDENTIFICATION

Name: Hungenberg Number: Pad  
 County: WELD  
 Quarter: SESE Section: 27 Township: 6N Range: 65W Meridian: 6 Ground Elevation: 4693

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: 1030 feet FSL from North or South section line  
283 feet FEL from East or West section line

Latitude: 40.452490 Longitude: -104.640825

PDOP Reading: 1.4 Date of Measurement: 07/02/2018

Instrument Operator's Name: Ryan Desmond



## 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: Hungenberg UH Farms LLLP Phone:         

Address: 976 N Balsam Fax:         

Address:          Email:         

City: Greeley State: CO Zip: 80631-9533

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 06/22/2018

## 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:	510 Feet	498 Feet
Building Unit:	540 Feet	582 Feet
High Occupancy Building Unit:	5280 Feet	5280 Feet
Designated Outside Activity Area:	5280 Feet	5280 Feet
Public Road:	271 Feet	92 Feet
Above Ground Utility:	243 Feet	64 Feet
Railroad:	5280 Feet	5280 Feet
Property Line:	271 Feet	104 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: 08/15/2018

- 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.

Operator designed the Hungenberg Production Facility to be a safe distance from neighboring houses and buildings, clear of the 100 year flood plain and located efficiently for regular maintenance and access. Operator agreed upon an oil and gas operations area per the landowner/operator Surface Use Agreement pertaining to these horizontal wells. Where possible, consolidation of existing facilities has been attempted to keep the disturbed area to a minimum. Operator feels this production facility location is the best option given the property boundaries, utility easements and current COGCC setbacks.

## 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: 51 - Otero sandy loam, 1 to 3 percent slopes

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: 14 Feet

water well: 608 Feet

Estimated depth to ground water at Oil and Gas Location 15 Feet

Basis for depth to groundwater and sensitive area determination:

Location is sensitive due to proximity to ditch and shallow depth to groundwater.  
Depth to groundwater taken from water well permit #2378.

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 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

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

Signed: \_\_\_\_\_ Date: \_\_\_\_\_ Email: regulatory@ascentgeomatics.com

Print Name: Justin Garrett Title: Regulatory Analyst

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.**

<b>COA Type</b>	<b>Description</b>
Rejected	<p>REJECTED - As part of the review of this Form 2A Oil &amp; Gas Location Assessment, it was determined that four attachments need revising/correcting. They are as follows:</p> <ul style="list-style-type: none"> <li>* Pre-application Notification Certification - The letter references Rule 318A.a. - Exception Location Requests. It should reference Rule 305.a.(2)</li> <li>* Waste Management Plan - It indicates water based fluids and cuttings will be disposed of at COGCC approved land farms and land application sites. If this is the case, which land farms/land application sites. However, the Form 2A indicates they will be disposed of at a Commercial Disposal facility. Also, the Form 2A indicates oil based muds will not be used, but the Odor mitigation BMP discusses controlling odors from oil based muds.</li> <li>* Facility Layout Drawing does not show all of the production facilities listed in the Facilities section of the Form 2A. Also, the drawing shows some boxes labelled as Misc Facility. These need to be better labelled as to what they area.</li> <li>* Location Drawing - We have received a Public Comment from Jessie and Jamie Silva (the nearest Building Unit owner) indicating that the upstairs portion of their detached garage is a mother-in-law suite. This would make it a Building Unit and the closest Building Unit. The Location Drawing and Cultural Setback Distance section should be revised to reflect this.</li> </ul> <p>Additionally, as this proposed location is in a Buffer Zone, the following 604.c.(2) mitigation measure BMPs need to be included on this Form 2A but were not.</p> <ul style="list-style-type: none"> <li>B. Closed Loop Drilling System - Pit Restrictions</li> <li>C. Green Completions - Emission Control Systems</li> <li>E. Multi-well Pads</li> <li>F. Leak Detection Plan</li> <li>G. Berm Construction</li> <li>L. Drill stem tests</li> <li>T. Well site cleared</li> <li>U. Identification of plugged and abandoned wells</li> <li>V. Development from existing well pads</li> </ul> <p>Please make these revisions/corrections and resubmit the Form 2A.</p>

### **Best Management Practices**

<b>No</b>	<b><u>BMP/COA Type</u></b>	<b><u>Description</u></b>
1	Planning	604.c.(2)J.ii Backup stabbing valves will be required on well servicing operations during reverse circulation. Valves shall be pressure tested before each well servicing operation using both low-pressure air and high-pressure fluid.
2	Planning	604.c.(2)N. Control of fire hazards: All material that is considered a fire hazard shall be a minimum of 25' from the wellhead tanks or separators. Electrical equipment shall comply with API IRP 500 and will comply with the current national electrical code.
3	Planning	Rule 604.c.(2).E. Multi-well Pads: Multi-well Pads are located in a manner which allows for resource extraction while maintaining the highest distances possible from the offsetting residential areas and complies with the wishes of the surface owner.
4	Planning	Rule 604.c.(2).L. Drill stem tests: Closed chamber drill stem tests shall be allowed. All other drill stem tests shall require approval by the Director.
5	Planning	Rule 604.c.(2).V. Development from existing well pads: Where possible, operators shall provide for the development of multiple reservoirs by drilling on existing pads or by multiple completions or commingling in existing wellbores per Rule 322. If any operator asserts it is not possible to comply with, or requests relief from, this requirement, the matter shall be set for hearing by the Commission and relief granted as appropriate.
6	Pre-Construction	Rule 604.c.(2).U. Identification of plugged and abandoned wells: Plugged and abandoned wells will be identified pursuant to 319.a.(5). The operator shall also inscribe or imbed the well number and date of plugging upon the permanent monument.

7	Traffic control	Access Roads: The access road will be constructed to accommodate local emergency vehicles. This road will be maintained for access at all times. Weld County doesn't require a traffic control plan or a traffic study for drilling operations. An access permit will be obtained from Weld County prior to construction.
8	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 is 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 of trash and discarded materials will be conducted at the end of each work day. Cleanup will consist of patrolling the roadway, access areas, and other work areas to pickup trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly.
9	General Housekeeping	Rule 604.c.(2).T. Well site cleared: The well site will be cleared of all non-essential equipment, trash and debris ninety (90) days after a well is plugged and abandoned.
10	Storm Water/Erosion Control	Storm Water Management Plan (SWMP) will be in place to address construction, drilling and operations associated with oil and gas development through the state of Colorado in accordance with CDPHE General Permit Rules. BMP's will vary according to location and will remain in place until the pad reaches final reclamation.
11	Material Handling and Spill Prevention	604.c.(2)R Tank Specifications: Tanks will be designed, constructed and maintained in accordance with NFPA Code 30 (2008 version). All tanks are visually inspected by the operator weekly at a minimum to a maximum of daily and annual SPCC inspections will be conducted and documented. Inspection and record retention of tank inspections will be in accordance per SPCC regulation. All records will be made available to the COGCC upon request. Operator shall comply with state and federal laws, rules and regulations governing the presence of any petroleum products, toxic or hazardous chemicals or wastes on the Subject lands.
12	Material Handling and Spill Prevention	Spill prevention control and countermeasure plan is in place to address construction, drilling and operations associated with oil and gas development throughout the state of Colorado in accordance with CFR 112.
13	Material Handling and Spill Prevention	Rule 604.c.(2).F. Leak Detection Plan: Operator will monitor production facilities on a regular schedule to identify fluid leaks, including, but not limited to, visually inspecting all wellheads, tanks and fittings. Additionally annual SPCC inspections will be conducted and documented. Annual flowline testing will also occur according to COGCC rules 1101 and 1102.
14	Dust control	805.c. Operator shall employ practices for control of fugitive dust caused by their operations. Such practices shall include but are not limited to the use of speed restrictions, regular road maintenance, restriction of construction activity during high wind days, and silica dust controls when handling sand used in hydraulic fracturing operations. Additional management practices such as road surfacing, wind breaks and barriers may be used.
15	Construction	803. Light sources during all phases of operations will be directed downwards and away from occupied structures where possible. Permanent lighting shall be mounted at compressor stations on a pole or building and directed downward to illuminate key areas within the facility, while minimizing the amount of light projected outside the facility.
16	Construction	Guy line anchors: All guy line anchors shall be brightly marked pursuant to Rule 604.c.(2)Q.
17	Construction	604.c.(2).K. Pit level Indicators will not be used on location.
18	Construction	604.c.(2)M. Fencing: A meeting with the surface owner will determine a fencing plan. The location will be adequately fenced to restrict access by unauthorized persons.

19	Construction	604.c.(2).O. All oil and water loadouts that are commonly used have a load bucket and isolation valve. Since they are used often, there is not a bull plug installed. Any loadouts (water on back of tanks for example) that are rarely used, are bull plugged without a load bucket.
20	Construction	Rule 603.h.(2)B. Tanks, including partially buried tanks, and separation equipment must be anchored to the ground. Anchors must be engineered to support the Tank and separation equipment and to resist flotation, collapse, lateral movement, or subsidence.
21	Construction	Rule 604.c.(2).G. Berm Construction: Tanks berms shall be constructed of steel rings with a synthetic or engineered liner and designed to contain 150% of the capacity of the largest tank. All berms will be visually checked periodically to ensure proper working condition.
22	Noise mitigation	Sound walls and/or hay bales may be used to shield sensitive areas during drilling operations should noise be of concern to Building Unit owner(s). Additional Sound mitigation measures will be considered and implemented pursuant to third party recommendations.
23	Emissions mitigation	<p>Rule 604.c.(2).C. Green Completions - Emission Control Systems: Flow lines, separators, and sand traps capable of supporting green completions as described in Rule 805 shall be installed at any Oil and Gas Location at which commercial quantities of gas are reasonably expected to be produced based on existing adjacent wells within 1 mile.</p> <p>Uncontrolled venting shall be prohibited in an Urban Mitigation Area.</p> <p>Temporary flowback flaring and oxidizing equipment shall include the following:</p> <ul style="list-style-type: none"> <li>• Adequately sized equipment to handle 1.5 times the largest flowback volume of gas experienced in a ten (10) mile radius;</li> <li>• Valves and porting available to divert gas to temporary equipment or to permanent flaring and oxidizing equipment;</li> <li>• Auxiliary fuel with sufficient supply and heat to sustain combustion or oxidation of the gas mixture when the mixture includes non-combustible gases.</li> </ul>
24	Odor mitigation	805. Oil & gas facilities and equipment shall be operated in such a manner that odors do not constitute a nuisance or hazard to public welfare. Operator will not utilize oil based mud systems. Hydrocarbon odors from production facilities are minimized and eliminated by keeping produced fluid hydrocarbons and natural gas contained within pipes, separators, tanks, and combustors. All tanks will be sealed with thief hatches and gaskets. Tank vapors are captured with properly sized piping and combustors.
25	Drilling/Completion Operations	Rule 604.c.(2).B. Closed Loop Drilling System - Pit Restrictions: A closed –loop system will be used for drilling operations. Pits will not be utilized at this location.
26	Interim Reclamation	Operator shall be responsible for segregating the topsoil, backfilling, re-compacting, 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 pre-existing conditions as best as possible with control of all noxious weeds.

Total: 26 comment(s)

### Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401732132	FORM 2A SUBMITTED
401855581	FORM 2A REJECTED
401857308	ACCESS ROAD MAP
401857309	FACILITY LAYOUT DRAWING
401857310	HYDROLOGY MAP
401857312	LOCATION DRAWING
401857313	LOCATION PICTURES
401857314	MULTI-WELL PLAN
401857317	SURFACE AGRMT/SURETY
401857339	NRCS MAP UNIT DESC
401861862	WASTE MANAGEMENT PLAN
401862011	PRE-APPLICATION NOTIFICATION CERTIFICATION

Total Attach: 12 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.