

FORM
2A

Rev
04/01

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:

400261755

Date Received:

04/25/2012

Oil and Gas Location Assessment

New Location

Amend Existing Location

Location#: 324576

Submit original plus one copy. This form is to be submitted to the COGCC prior to any ground disturbance activity associated with oil and gas development operations. This Assessment may be approved as a standalone application or submitted as an informational report accompanying an Application for Permit-To-Drill, Form 2. Approval of this 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. This form may serve as notice to land owners and other interested parties, please see the COGCC web site at <http://colorado.gov/cogcc/> for all accompanying information pertinent to this Oil and Gas Location Assessment.

Location ID:

324576

Expiration Date:

This location assessment is included as part of a permit application.

1. 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.

2. Operator

Operator Number: 10369
 Name: NATURAL RESOURCE GROUP INC
 Address: 1789 W LITTLETON BLVD
 City: LITTLETON State: CO Zip: 80126

3. Contact Information

Name: Brian Hedberg
 Phone: (303) 797-5417
 Fax: (303) 797-5418
 email: bhedberg@nrgcolo.com

4. Location Identification:

Name: Jenny C Number: 1
 County: HUERFANO
 Quarter: NWNW Section: 36 Township: 26S Range: 67W Meridian: 6 Ground Elevation: 6050

Define a single point as a location reference for the facility location. This point should be used as the point of measurement in the drawings to be submitted with this application. When the location is to be used as a well site then the point shall be a well location.

Footage at surface: 860 feet FNL, from North or South section line, and 766 feet FWL, from East or West section line.
 Latitude: 37.746129 Longitude: -104.844176 PDOP Reading: 6.0 Date of Measurement: 03/09/2012
 Instrument Operator's Name: Gary L. Terry

5. Facilities (Indicate the number of each type of oil and gas facility planned on location):

Special Purpose Pits: <input type="text" value="0"/>	Drilling Pits: <input type="text" value="1"/>	Wells: <input type="text" value="1"/>	Production Pits: <input type="text" value="0"/>	Dehydrator Units: <input type="text" value="0"/>
Condensate Tanks: <input type="text" value="0"/>	Water Tanks: <input type="text" value="1"/>	Separators: <input type="text" value="1"/>	Electric Motors: <input type="text" value="0"/>	Multi-Well Pits: <input type="text" value="0"/>
Gas or Diesel Motors: <input type="text" value="0"/>	Cavity Pumps: <input type="text" value="0"/>	LACT Unit: <input type="text" value="0"/>	Pump Jacks: <input type="text" value="0"/>	Pigging Station: <input type="text" value="0"/>
Electric Generators: <input type="text" value="0"/>	Gas Pipeline: <input type="text" value="0"/>	Oil Pipeline: <input type="text" value="0"/>	Water Pipeline: <input type="text" value="0"/>	Flare: <input type="text" value="0"/>
Gas Compressors: <input type="text" value="0"/>	VOC Combustor: <input type="text" value="0"/>	Oil Tanks: <input type="text" value="1"/>	Fuel Tanks: <input type="text" value="0"/>	

Other: _____

6. Construction:

Date planned to commence construction: 06/01/2012 Size of disturbed area during construction in acres: 0.50
Estimated date that interim reclamation will begin: 06/15/2012 Size of location after interim reclamation in acres: 0.25
Estimated post-construction ground elevation: 6051 Will a closed loop system be used for drilling fluids: Yes No
Will salt sections be encountered during drilling: Yes No Is H2S anticipated? Yes No
Will salt (>15,000 ppm TDS Cl) or oil based muds be used: Yes No
Mud disposal: Offsite Onsite Method: Land Farming Land Spreading Disposal Facility
Other: Air drilling - No Mud

7. Surface Owner:

Name: Juan B Vallejos Phone: 7197383963
Address: Road 640 Fax: _____
Address: _____ Email: _____
City: Walsenburg State: CO Zip: 81089 Date of Rule 306 surface owner consultation: 04/25/2012

Surface Owner: Fee State Federal Indian
Mineral Owner: Fee State Federal Indian

The surface owner is: the mineral owner committed to an oil and gas lease
 is the executer of the oil and gas lease the applicant

The right to construct the location is granted by: oil and gas lease Surface Use Agreement Right of Way
 applicant is owner

Surface damage assurance if no agreement is in place: \$2000 \$5000 Blanket Surety ID _____

8. Reclamation Financial Assurance:

Well Surety ID: 20110094 Gas Facility Surety ID: _____ Waste Mgnt. Surety ID: _____

9. Cultural:

Is the location in a high density area (Rule 603.b.): Yes No
Distance, in feet, to nearest building: 1000, public road: 850, above ground utilit: 850
, railroad: 19800, property line: 766

10. 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

11. 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

12. Soils:

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.gov/> 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-Kim loams, 2 to 9 percent

NRCS Map Unit Name: _____

NRCS Map Unit Name: _____

13. 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: Blue grama, Western wheatgrass, Green needlegrass, Sand dropseed, Sideoats grama, Buffalograss, Needleandthread

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): _____

14. Water Resources:

Rule 901.e. may require a sensitive area determination be performed. If this determination is performed the data is to be submitted with the Form 2A.

Is this a sensitive area: No Yes Was a Rule 901.e. Sensitive Areas Determination performed: No Yes

Distance (in feet) to nearest surface water: 400, water well: 1050, depth to ground water: 14

Is the location in a riparian area: No Yes Was an Army Corps of Engineers Section 404 permit filed No Yes

Is the location within a Rule 317B Surface Water Supply Area buffer zone:

No 0-300 ft. zone 301-500 ft. zone 501-2640 ft. 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 Yes

15. Comments:

There are no improvements within 400 ft of the site. The reference area is adjacent to the site, so no reference area map is needed. The reference area photos will be submitted in approximately two weeks but no later than 12 months as allowed in section 303.d.(3)F.ii.bb of the 300 Series Rules.

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

Signed: _____ Date: 04/25/2012 Email: bhedberg@nrgcolo.com

Print Name: Brian Hedberg Title: General Counsel

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, IF ANY:**

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.

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Attachment Check List

Att Doc Num	Name
400261755	FORM 2A SUBMITTED
400264144	HYDROLOGY MAP
400271063	ACCESS ROAD MAP
400271064	CONST. LAYOUT DRAWINGS
400271067	NRCS MAP UNIT DESC
400276554	ACCESS ROAD MAP
400277113	SURFACE AGRMT/SURETY
400277123	LOCATION PICTURES

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Site Specific	Use existing farm roads for access to site so no new roads will need to be constructed. All equipment associated with construction and drilling will be thoroughly washed before entering Huerfano County to remove weed seeds and/or other potentially hazardous substances.
Planning	Adequately size infrastructure and facilities to accomodate both current and future gas production. Avoid constructing of any road segment in the channel of an intermittent or perennial stream. Combine utility infrastructure (gas, electric, water) planning with roadway planning to avoid separate utility corridors. Where possible consolidate pipeline and existing roadways, or roadways that are planned for development.
Wildlife	Enforce policies to protect wildlife (e.g., no poaching, no dogs on location, no feeding of wildlife, etc.).
Drilling/Completion Operations	Promptly report spills that affect wildlife to the CDOW. Limit parking to already disturbed areas that have not yet been reclaimed.
Interim Reclamation	During drilling, production and reclamation operations, all disturbed areas will be kept as free from all undesirable plant species as practicable.
Construction	Use minimum right-of-way width and vegetation mats where pipelines cross riparian areas and streams wherever possible.
General Housekeeping	The site will be maintained free of debris and excess materials during construction and operation. All gates will remain closed unless otherwise requested by surface owner.
Final Reclamation	Seed during appropriate season to increase likelihood of reclamation success. Do not include aggressive, non-native grasses in reclamation seed mixes.

Total: 8 comment(s)