

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:

401656263

(SUBMITTED)

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: 10459
Name: EXTRACTION OIL & GAS INC
Address: 370 17TH STREET SUITE 5300
City: DENVER State: CO Zip: 80202

Contact Information

Name: Bonnie Lamond
Phone: (720) 557-8300
Fax: ()
email: blamond@extractionog.com

FINANCIAL ASSURANCE

- ☒ Plugging and Abandonment Bond Surety ID (Rule 706): 20130028 ☐ Gas Facility Surety ID (Rule 711): _____
- ☐ Waste Management Surety ID (Rule 704): _____

LOCATION IDENTIFICATION

Name: Mojito Trust Number: _____
County: WELD
QuarterQuarter: SWNE Section: 3 Township: 4N Range: 68W Meridian: 6 Ground Elevation: 5047
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: 1461 feet FNL from North or South section line
2215 feet FEL from East or West section line
Latitude: 40.345183 Longitude: -104.988135
PDOP Reading: 1.4 Date of Measurement: 04/03/2018
Instrument Operator's Name: Aaron Demo

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	6	Oil Tanks*	8	Condensate Tanks*		Water Tanks*	2	Buried Produced Water Vaults*	
Drilling Pits		Production Pits*		Special Purpose Pits		Multi-Well Pits*		Modular Large Volume Tanks	2
Pump Jacks		Separators*	6	Injection Pumps*		Cavity Pumps*		Gas Compressors*	8
Gas or Diesel Motors*		Electric Motors		Electric Generators*		Fuel Tanks*		LACT Unit*	1
Dehydrator Units*		Vapor Recovery Unit*	4	VOC Combustor*	2	Flare*		Pigging Station*	

OTHER FACILITIES*

Other Facility Type

Number

ECD	4
Gas Lift Skid	1
Gas Scrubber	2
Maintenance Tank	1
VRT	2

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:

Extraction will trench flowlines in one piping corridor that runs between the wells and facilities and be placed at 12" centers. These lines will most likely be 2" or 3" fusion bonded SCH160 steel pipe and have proper cathodic protection throughout the run. Extraction will then sweep up with a long radius that will tie off each line to the appropriate separator. All welds on these are 100% x-ray and hydro tested to the API and Manufactures specs for a class 1500 series flange. Also meets ASME code B31.4.

CONSTRUCTION

Date planned to commence construction: 10/15/2018 Size of disturbed area during construction in acres: 15.61
Estimated date that interim reclamation will begin: 07/15/2019 Size of location after interim reclamation in acres: 6.00
Estimated post-construction ground elevation: 5046

DRILLING PROGRAM

Will a closed loop system be used for drilling fluids: Yes

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? Yes

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: J Farms

Phone:

Address: 2725 Rocky Mountain Ave; Ste 200

Fax:

Address:

Email:

City: Loveland State: CO Zip: 80538

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: Surface Use Agreement

Surface damage assurance if no agreement is in place: Surface Surety ID:

Date of Rule 306 surface owner consultation 04/18/2018

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:	815 Feet	566 Feet
Building Unit:	1146 Feet	969 Feet
High Occupancy Building Unit:	5280 Feet	5280 Feet
Designated Outside Activity Area:	5280 Feet	5280 Feet
Public Road:	1448 Feet	1435 Feet
Above Ground Utility:	766 Feet	828 Feet
Railroad:	5280 Feet	5280 Feet
Property Line:	416 Feet	145 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

Does the UMA Facility meet the definition of a Large UMA Facility ☐ Yes ☒ No

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: 06/06/2018

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: 06/12/2018

- 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's proposed oil and gas development is within a Buffer Zone Designated Setback Location. Additionally, due to the size of the commercial building to the south, the site also falls within an Urban Mitigation Area. Alternative locations were evaluated and the final proposed location was deemed the best option during negotiations with the surface owner. The proposed location was strategically placed as close to the parcel boundary as possible—while maintaining an appropriate distance to adjacent land owners—in order to preserve the remaining land for future agricultural use. Additionally, the proposed layout allows for the higher-pressure processing equipment to be furthest from any residential homes.

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: 42—Nunn clay 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: 0 Feet

water well: 4475 Feet

Estimated depth to ground water at Oil and Gas Location 16 Feet

Basis for depth to groundwater and sensitive area determination:

Irrigation ditch on west side of location.
DWR Permit No. 7485

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 Reference point: Mojito 3E-20-1N

Operator certifies that the MLVTs will be designed and implemented consistent with the COGCC Policy on the Use of Modular Large Volume Tanks in Colorado. MLVT Design Package, certified and sealed by a licensed professional engineer, is available upon request.

Manufacturer of MLVT: Hydro Logistics
Size and Volume: Up to two (2) 157' diameter/ 42,000 BBLs
Anticipated time frame on site: 120 days

Traffic plan will be coordinated with the local jurisdiction (Weld County and/or Johnstown) prior to commencement of move in and rig up. Any subsequent modification to the traffic plan will be coordinated with the local jurisdiction.

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

Signed: _____ Date: _____ Email: blamond@extractionog.com

Print Name: Bonnie Lamond 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.

COA Type

Description

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Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	604.c(2)M. The location will be adequately fenced to restrict access by unauthorized persons.
2	Planning	604.c.(2).H. Blowout Prevention Equipment ("BOPE"): A double ram and annular preventer will be used during drilling. Stabbing valves shall be installed in the event of reverse circulation and shall be prior tested with low and high pressure fluid.
3	Planning	604.c.(2)J.i & 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.
4	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. Flammable liquids shall not be stored within fifty (50) feet of the wellbore, except for the fuel in the tanks of operating equipment or supply for injection pumps. Where terrain and location configuration do not permit maintaining this distance, equivalent safety measures should be taken.
5	Planning	604.c.(2).E. This location will be a multi-well pad, located in a manner which allows for the greatest distances possible from building units.

6	Traffic control	604.c.(2)D: If required by the local government, a traffic plan shall be coordinated with the local jurisdiction (Johnstown) prior to commencement of move in and rig up. Any subsequent modification to the traffic plan must be coordinated with the local jurisdiction.
7	General Housekeeping	604.c.(2)P. Trash Removal: All trash, debris and material not intrinsic to the operation of the oil and gas facility shall be removed and legally disposed of as applicable.
8	Material Handling and Spill Prevention	604.c.(2)F. Leak Detention Plan: Extraction will monitor production facilities weekly at a minimum to a maximum of daily 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. Inspection and record retention of flowline testing will be in accordance per COGCC regulation. All records will be made available to the COGCC upon request.
9	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.
10	Material Handling and Spill Prevention	604.c.(2).G. Berm construction. Tank 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 weekly at a minimum to a maximum of daily to ensure proper working condition. Secondary containment devices shall be sufficiently impervious to contain any spilled or released material. No potential ignition sources shall be installed inside the secondary containment area unless the containment area encloses a fired vessel.
11	Dust control	604.c.(2)S. Access Roads: The access road will be constructed to accommodate local emergency vehicles. This road will be maintained for access at all times. Traffic will be routed to minimize local interruption. During construction and through the life of this location, Operator may use methods including, but not limited to, watering via water trucks to control fugitive dust. Additionally, the access road will be constructed with aggregate road base material and vehicle speeds will be limited to reduce dust.
12	Construction	604.c.(2).Q. Guy line anchors will not be used on this location. Base beam units will be used as alternative.
13	Noise mitigation	604.c.(2)A. Sound walls and/or hay bales may be used during drilling and completion operations. Sound study prior to operations will determine installation of sound walls or hay bales.
14	Emissions mitigation	Operator will bring a new or expand existing gas sales lines, prior to first gas sales, in a timely manner, to send salable quality gas immediately down the sales line. If a sales line is unavailable or other conditions prevent placing the gas into a sales line, the operator shall not produce the wells without an approved variance per Rule 805.b.(3) C.
15	Emissions mitigation	604.c.(2)C.i. Green Completions - Emission Control System. Test separators, associated flow lines and sand traps shall be installed on-site to accommodate green completions techniques pursuant to COGCC Rules.
16	Emissions mitigation	604.c.(2).I. BOPE testing for drilling operations. Upon initial rig-up and at least once every thirty (30) days during drilling operations thereafter, pressure testing of the casing string and each component of the blowout prevention equipment including flange connections shall be performed to seventy percent (70%) of working pressure or seventy percent (70%) of the internal yield of casing, whichever is less. Pressure testing shall be conducted and the documented results shall be retained by the operator for inspection by the Director for a period of one (1) year. Activation of the pipe rams for function testing shall be conducted on a daily basis when practicable.

17	Emissions mitigation	604.c.(2)C.iii. Green Completions - Emission Control System. During flowback, production will be sent through a high-pressure separator and into separate sealed oil and water tanks. The tanks will have a dedicated VOC line to capture any vapors. VOC lines are routed at a minimum of 75' away from the tanks to a combustor to burn. Any sales gas from the separator will be routed at a minimum of 75' away to an enclosed combustor to burn. This is only until the well cleans up to the point that it can go down the flowline to the production facility.
18	Emissions mitigation	604.c.(2)C.ii. Uncontrolled venting shall be prohibited in an Urban Mitigation Area
19	Drilling/Completion Operations	604.c.(2).K. Pit level Indicators shall be used on location.
20	Drilling/Completion Operations	604.c.(2).O. All loadlines shall be bull plugged or capped.
21	Drilling/Completion Operations	604.c.(2)B.i. Operator will be utilizing a closed loop system.
22	Final Reclamation	604.c.(2)T. Within 90 days subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site. Identification of plugged and abandoned wells will be identified pursuant to 319.a.(5)
23	Final Reclamation	604.c.(2).U. The operator shall identify the location of the wellbore with a permanent monument as specified in Rule 319.a.(5). The operator shall also inscribe or imbed the well number and date of plugging upon the permanent monument

Total: 23 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401748113	MULTI-WELL PLAN
401748114	LOCATION DRAWING
401748115	NRCS MAP UNIT DESC
401748116	ACCESS ROAD MAP
401748117	HYDROLOGY MAP
401748122	LOCATION PICTURES
401748124	SURFACE AGRMT/SURETY
401748125	FACILITY LAYOUT DRAWING
401748127	WASTE MANAGEMENT PLAN
401748160	PRE-APPLICATION NOTIFICATION CERTIFICATION

Total Attach: 10 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.

