La Plata County Colorado

Planning Department

211 Rock Point Drive
Durango, CO 81301
(970)382-6263

February 26, 2016

BP America Production Company
Attn: Patti Campbell
380 Airport Road
Durango, CO 81303

RE: Minor Oil and Gas Facility Application Permit # 2016-0053
BP America Production Company – Anderson C 3

Dear Ms. Campbell,

The La Plata County Planning Department (Department) has determined that your application for the Anderson C 3 minor facility permit is complete. After reviewing the subject application, the Department is granting administrative approval of the facility in accordance with Section 90-74 of the Oil and Gas Regulations of the La Plata County Land Use Code (LPLUC), subject to the attached conditions of approval (COAs). Any conditions that may require additional submittals with other County Departments or operators have been emphasized with italics. Please note COA No. 6 below. Since the proposed location is located within 660 feet of four existing residences, a security fence and locked gate will be required on the location. Please feel free to contact me at 970-382-6291 if you have any questions or concerns regarding this permit approval or COAs.

Sincerely,

Ashley Austin

Ashley Austin, Planner I
La Plata County Planning Department

Cc: Damian Peduto, La Plata County Planning Department Director (via e-mail)
Thomas McNamara, La Plata County Office of Emergency Management (via e-mail)
Rod Cook, La Plata County Weeds Department (via e-mail)

La Plata County Minor Oil and Gas Facility Application

La Plata County Colorado

Planning Department
1060 E. 2nd Ave.
Durango, CO 81301
http://co.laplata.co.us

-APPLICATION MUST BE SUBMITTED IN PERSON OR VIA U.S. MAIL
-VERIFY FEES PRIOR TO SUBMITTING
-PLEASE REFER TO CHAPTER 90 OF LA PLATA COUNTY LAND USE CODE

RECEIVED DEC 22 2015 LA PLATA COUNTY PLANNING DEPT.

County Use Only – Date Received

Application Fees Submitted: $1,300 Additional Fees Submitted: ~~$3,400~~ paid in 2012 w/ anderson CC3 application.
Proposed Facility Name: Anderson C 3
12 digit Parcel #: 590324300714 Sec., Twp, Rng.: Sec 24, T34N, R8W, N.M.P.M.
Latitude (decimal degrees) 37.173436 Longitude (decimal degrees) -107.672240
Measurements from Section Lines: 1478 FSL & 1524 FWL

Applicant: BP L48 Onshore Contact Person: Naomi Azulai
Address: 380 Airport Road, Durango, CO 81303 Phone: 970-375-7511
Designated Agent? Yes ☐ No ☑ (if Yes, please provide proof of designation)

Agent: Contact Person:
Address: Phone:
Emergency Contact: Phone:

Surface Owner: David & Stephanie Witt Surface Owner:
Address: 10658 State HWY 172 Address:
Phone: 970-884-9776 Phone:

APPLICANT'S/AGENT'S CERTIFICATION OF COMPLIANCE:
I, Naomi Azulai, designated agent for BP L48 onshore (Applicant), hereby certify that the information provided to La Plata County within and related/attached to this application complies with all La Plata County and State of Colorado regulations and is true and accurate. The Applicant will be held legally responsible for all acts, errors, and omissions arising from the development specified herein, and which is undertaken by the Applicant, Applicant's Employees, and any independent contactors and subcontractors pursuant to the approval of the application by La Plata County. By signing this application in accordance with all of the regulations of the La Plata Land Use Code, I hereby authorize La Plata County Employees to inspect the site for the Proposed Facility at any time before approval or denial of this application and upon reasonable notice after approval of this application.
Signature: Date: 12-22-15

County Use Only Beneath This Line

Based on the information provided herein, this Minor Oil and Gas Facility Permit Application complies with Chapter 90 of the LPLUC and is hereby approved and permitted.
Permit/Project #: PL 2016-0053
Name: Ashley Austin Title: Planner I
Signature: Ashley Austin Date: 2/26/16

CONDITIONS OF APPROVAL: SEE ATTACHED

Section I: Facility Description/Environmental Quality

1. Emergency Preparedness Plan:

Emergency Preparedness Plan has been provided to Office of Emergency Management for the current year (90-51)? Yes ☑ No ☐

* If your Emergency Preparedness Plan is not up to date, your application will be deemed incomplete

2. Performance Security:

Is performance security for this facility covered under a blanket bond (90-49)? Yes ☑ No ☐

a. If Yes, please provide the following information. Additionally please submit one copy (one time) of the bond for the County's records:

i. Financial Institution JP Morgan Chase

ii. Dollar Amount of Bond $175,000

iii. Bond # TFTS-924223

b. If No, an individual facility bond will be required. Please submit a copy of the bond and provide the following information:

i. Financial Institution _____

ii. Dollar Amount of Bond _____

iii. Bond # _____

3. Proposed Minor Facility

a. What is the primary function of the proposed Facility?

i. Is this Facility a Special Exception (90-125)? Yes ☐ No ☑

* If the proposed facility is a production well and a Special Exception is being proposed, attach additional information as outlined in Section III (Supplemental Attachments), Item 1 to the permit application.

☑ Well ☐ Well with intermediate pipeline* ☐ Temporary storage yard (6 months or less)
☐ Well with special mitigation ☐ Water Pump Station (reclassified to minor facility)
☐ Other : _____

*If pipeline extends beyond ¼ notice area, a separate pipeline permit is required

b. If an intermediate pipeline is proposed please answer the following questions:

i. Pipeline length and material

ii. Lat & Long BOL: _____

iii. Lat & Long EOL: _____

c. Well Formation and type:

i. Formation:

☑ Fruitland CBM ☐ Conventional ☐ Other : _____

ii. Type:

☑ Directional ☐ Horizontal ☐ Vertical

d. Is the new well being installed on an existing pad? ☐ Yes ☑ No

If Yes, please fill out the information below:

i. What is the existing pad size (in acres): _____

ii. What is the proposed expanded pad size including the Temporary Use Area: _____

iii. What will the final pad size be after the TUA has been reclaimed: _____

e. Is distribution voltage (12.43 kV 3-phase power) within ¼ mile of the site? Yes ☐ No ☑

f. Will the proposed facility be electrified (90-122(d)(2))? Yes ☑ No ☐
If No, please fill out the information below:

i. What is the cumulative horsepower rating for all engines and motors for the proposed facility:

At sea level:_____

At facility elevation:_____

ii. If distribution voltage is located within ¼ mile, and the site is not proposed to be electrified, please attach information demonstrating that such electrification is infeasible.

g. What is the proposed time on location for continuous drilling and completion activities (90-19 *minor facilities requiring special mitigation measures)*:
4days continuous drilling. 45days intermitent competion which includes 4days of frac ops*
*24-hour frac ops during winter.

h. List all equipment to be proposed onsite. Include number, size, type and model of equipment if known. A list may also be attached to the permit application. You will be required to submit a list of equipment that has been set on the location 18 months after the drilling and completion of the well, unless the well is a legal, non-conforming use (90-44e).

2 wellheads (Anderson C 2 & Anderson C 3), 2 beam pump units (artificial lift) with electrically driven engines, 2 separators.
4 steel flowlines to the separators (two from each well), up to 4" diameter.
Up to 4" diameter steel gas line from each separator the the gas gathering line.
Up to 3" steel water line from each separator to the water gathering line.
1 electric control box/meter house.
1 95 bbl water tank.

4. Construction and drilling phase earthwork to be performed

a. What is the quantity of fill material to be brought to or removed from the site (90-41)?

Cut material: 4,551 cubic yards
Fill material: 3,489 cubic yards
Topsoil: 1,062 cubic yards
This will be a cut/fill balance

5. Narrative

a. Generally describe the facility proposed, operating plan, # of vehicles, etc. (90-41).

Routine operational pick up trucks will consist of BP personnel accessing the site once or twice a week for routine maintenance and inspection.

6. Does the proposed facility have an associated MOU? Yes ☑ No ☐

If yes, respond to the questions below:

a. Which MOU with La Plata County (operator name and date) applies to the proposed facility? BP 1st MOU 2005 paid in 2012

b. Which Road Maintenance Fee applies? Tier I ☐ Tier II ☐ Tier III ☐ No Tier ☑

c. What is the amount of the Fee? $3,400

d. Is distribution voltage (12.43 kV 3-phase power) within ¼ mile of the site? Yes ☐ No ☑

7. Setback Issues (90-122b)

a. Are the following setback requirements met?

i. Residential setbacks of 500' from wellhead: Yes ☐ No ☑

ii. Property line setbacks of 150' from wellhead: Yes ☑ No ☐

iii. Road, Utility, etc. setbacks of 200' from wellhead: Yes ☑ No ☐

iv. Pipeline setbacks of 50' from occupied structures: Yes ☐ No ☑

b. If any setbacks are not met:

v. Was the facility drilled prior to the adoption of Chapter 90? Yes ☐ No ☑
* If yes, skip vi. and vii., below.

vi. Was a waiver requested by the applicant? Yes ☑ No ☐

vii. Was a waiver granted by the surface owner? Yes ☑ No ☐
If Yes, please attach the written waiver.
If No, please provide additional information in the narrative (item 5)

8. Access Roads (90-122(c) and 90-124(c))

a. Does the Applicant have the legal right to use the access roads? Yes ☑ No ☐

b. Will private roads be used to access the proposed facility? Yes ☑ No ☐

c. If private roads will be used, does the Applicant have a signed road maintenance or improvement agreement? Yes ☑ No ☐

If No, provide exhibits demonstrating the applicant attempted to negotiate an agreement for the road, to comply with the provisions of 90-122(c). Please attach to the permit.

9. Water Source (90-123(e))

a. If fresh or potable water is proposed for use during construction, drilling, and completion, please provide the source of the water: Southern Ute Indian Tribe Water Distribution Facility-Ignacio, CO

b. If the water source proposed for use is related to a decreed water right, please list the water rights case number associated with the decree: _____

10. Provide Driving directions to the proposed facility from Durango.

From Durango, head east on HWY 160. Turn South onto HWY 172. Travel on HWY 172 for 10.5 miles. Turn left at 10638 HWY 172. Continue on road for 0.2 miles, drive past the Anderson C 1 pad, then turn left at the end of the pad. Continue for approximately 0.5 miles to the well site.

La Plata County Land Use Code Conditions of Approval

1. Continuous drilling and completion operations on the proposed well pad shall not continue for longer than 6 weeks without a break in operations of at least 1 week. If continuous drilling and completion operations are expected to last longer than 6 weeks, a permit modification and special mitigation measures will be required (LPLUC Secs. 90-19, *Minor oil and gas facilities requiring special mitigation measures*, and 90-44[b]);

2. Approval granted for the facility shall expire or be considered revoked if drilling operations have not commenced within two years from the date of this approval, or three years with a valid permit extension (LPLUC Sec. 90-44[a]);

3. If the applicant desires to modify the subject facility by changes to the permanent equipment, site layout, or operating plan approved in this permit, the addition of new permanent equipment (including the use of a compressor), or new grading activities, an modification to the original application is required (LPLUC Sec. 90-44[b]);

4. *A current Emergency Response Plan shall be kept on file with the La Plata County Office of Emergency Management (LPLUC Sec. 90-51);*

5. *A Production Well Emergency Response Information Form (Rig Move Form) shall be filed with the La Plata County Office of Emergency Management prior to using drilling, completion, re-drill, or workover rigs (LPLUC Sec. 90-52);*

6. Sound emissions shall at minimum be in accordance with the standards as adopted, and amended from time to time by COGCC (LPLUC Sec. 90-122[d][5]);

7. Security fencing and a locked gate are required (LPLUC Sec. 90-122[e][1]);

8. At all times best management practices shall be used to prevent stormwater discharges from impacting surface water quality (LPLUC Sec. 90-123[c][8]);

9. Dust shall be suppressed throughout drilling and operational activities (LPLUC Sec. 90-124[c][8]);

10. The site shall be maintained free of debris and excess material at all times during operation (LPLUC Sec. 90-124[d][1]);

11. *BP America Production Company shall contact Rod Cook with the La Plata County Weeds Department once the growing season has begun to obtain a Weed Management Plan.* BP America Production Company, in coordination with the La Plata County Weeds Department, is responsible for ongoing weed control of the facility site and

access road until abandonment and final reclamation is complete (LPLUC Sec. 90-124[e]); and

12. Applicant shall be required to adhere to all other applicable regulations for the construction and operation of the facility, as indicated in Chapter 90 of the LPLUC.