

FORM
2

Rev
12/05

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:

400280523

Date Received:

05/03/2012

PluggingBond SuretyID

20030107

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER _____
SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐

Refiling ☒

Sidetrack ☐

3. Name of Operator: WPX ENERGY ROCKY MOUNTAIN LLC

4. COGCC Operator Number: 96850

5. Address: 1001 17TH STREET - SUITE #1200

City: DENVER State: CO Zip: 80202

6. Contact Name: Greg Davis Phone: (303)606-4071 Fax: (303)629-8268

Email: greg.j.davis@wpxenergy.com

7. Well Name: Savage Well Number: RWF 321-34

8. Unit Name (if appl): Unit Number:

9. Proposed Total Measured Depth: 7947

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 27 Twp: 6S Rng: 94W Meridian: 6

Latitude: 39.490185 Longitude: -107.872473

Footage at Surface: 438 feet FNL/FSL 2169 feet FEL/FWL
FSL FEL

11. Field Name: Rulison Field Number: 75400

12. Ground Elevation: 5297 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 11/06/2008 PDOP Reading: 1.5 Instrument Operator's Name: J. Kirkpatrick

15. If well is ☒ Directional ☐ Horizontal (highly deviated) submit deviated drilling plan.

Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL
1163 FNL 2182 FWL 1163 FNL 2182 FWL
Sec: 34 Twp: 6S Rng: 94W Sec: 34 Twp: 6S Rng: 94W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 842 ft

18. Distance to nearest property line: 498 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 425 ft

20. LEASE, SPACING AND POOLING INFORMATION

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Williams Fork | WMFK | 139-66 | 640 | All |

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____

22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian

23. Is the Surface Owner also the Mineral Owner? ☒ Yes ☐ No Surface Surety ID#:

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☐ Yes ☒ No

23b. If 23 is No: ☒ Surface Owners Agreement Attached or ☐ \$25,000 Blanket Surface Bond ☐ \$2,000 Surface Bond ☐ \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

Lease description was attached to original Form 2.

25. Distance to Nearest Mineral Lease Line: 865 ft

26. Total Acres in Lease: 1476

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? ☐ Yes ☒ No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? ☐ Yes ☒ No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? ☐ Yes ☒ No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☐ No

31. Mud disposal: ☐ Offsite ☒ Onsite

If 28, 29, or 30 are "Yes" a pit permit may be required.

Method: ☐ Land Farming ☐ Land Spreading ☐ Disposal Facility Other: Re-use and evaporation

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

| Casing Type | Size of Hole | Size of Casing | Wt/Ft | Csg/Liner Top | Setting Depth | Sacks Cmt | Cmt Btm | Cmt Top |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| CONDUCTOR | 24 | 18 | 48# | 0 | 45 | 25 | 45 | 0 |
| SURF | 13+1/2 | 9+5/8 | 32.3# | 0 | 1,156 | 380 | 1,123 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6# | 0 | 7,947 | 687 | 7,947 | |

32. BOP Equipment Type: ☒ Annular Preventer ☒ Double Ram ☒ Rotating Head ☐ None

33. Comments Closed Loop. Pad has been built. There is no rig on the location. There have been no changes to lease conditions or drilling plans. Not in an RSO. There is an active Form 2A on file with the COGCC. Surface Use Agreement attached to original Form 2 and 2A filing.CA COC60596

34. Location ID: 323938

35. Is this application in a Comprehensive Drilling Plan ? ☐ Yes ☐ No

36. Is this application part of submitted Oil and Gas Location Assessment ? ☐ Yes ☒ No

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

Signed: _____ Print Name: Greg Davis

Title: Supervisor Permits Date: 5/3/2012 Email: greg.j.davis@wpenergy.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: 6/14/2012

API NUMBER

05 045 19842 00

Permit Number: _____ Expiration Date: 6/13/2014

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) GARFIELD COUNTY RULISON-FIELD NOTICE TO OPERATORS. NOTE: ALL NOTICES SHALL BE GIVEN VIA E-MAIL. SEE ATTACHED NOTICE.

(3) RESERVE PIT, IF USED, MUST BE LINED.

(4) FLOWBACK TO TANKS ONLY. SUBMIT A SECONDARY AND TERTIARY CONTAINMENT PLAN VIA SUNDRY NOTICE FORM 4 FOR THE TANKS. ATTN: CHRIS CANFIELD. OBTAIN APPROVAL OF THE PLAN PRIOR TO FLOWBACK.

(5) OPERATOR MUST ENSURE 110 PERCENT SECONDARY CONTAINMENT FOR ANY VOLUME OF FLUIDS CONTAINED AT WELL-SITE DURING DRILLING AND COMPLETION OPERATIONS. IF FLUIDS ARE CONVEYED VIA PIPELINE, OPERATOR MUST IMPLEMENT BEST-MANAGEMENT-PRACTICES TO CONTAIN ANY UNINTENTIONAL RELEASE OF FLUIDS.

(6) THE MOISTURE CONTENT OF ANY DRILL CUTTINGS IN A CUTTINGS PIT, TRENCH, OR PILE SHALL BE AS LOW AS PRACTICABLE TO PREVENT ACCUMULATION OF LIQUIDS GREATER THAN DE-MINIMIS AMOUNTS. AT THE TIME OF CLOSURE, THE DRILL CUTTINGS MUST ALSO MEET THE APPLICABLE STANDARDS OF TABLE 910-1.

(7) NO PORTION OF ANY PIT THAT WILL BE USED TO HOLD LIQUIDS SHALL BE CONSTRUCTED ON FILL MATERIAL, UNLESS THE PIT AND FILL SLOPE ARE DESIGNED AND CERTIFIED BY A PROFESSIONAL ENGINEER, SUBJECT TO REVIEW AND APPROVAL BY THE DIRECTOR PRIOR TO CONSTRUCTION OF THE PIT. THE CONSTRUCTION AND LINING OF THE PIT SHALL BE SUPERVISED BY A PROFESSIONAL ENGINEER OR THEIR AGENT. THE ENTIRE BASE OF THE PIT MUST BE IN CUT.

(8) THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 250 FEET DEEP.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 1533060 | DEVIATED DRILLING PLAN |
| 1533061 | WELL LOCATION PLAT |
| 400280523 | APD APPROVED |
| 400282643 | DIRECTIONAL DATA |
| 400295990 | FORM 2 SUBMITTED |

Total Attach: 5 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| Permit | Off hold--Confirmed mineral lease description on orig. APD. Issues with spacing orders resolved. CA designation resolved. No LGD or public comments. Final Review--passed. | 6/12/2012 11:17:04 AM |
| Permit | Per oper.'s instructions, changed dist. to nearest well to 425'. Corrected spacing unit designation. On hold pending correction of spacing order language on unit configurations and unit acreage. WPX needs to resolve CA acreage designations not matching spacing orders. All wells on this pad have APD's expiring 8/24/2012. WPX has begun drilling on this pad this week but will not spud all wells before APD expirations. | 5/30/2012 12:24:01 PM |
| Permit | Location built. Refile 2A not required. | 5/29/2012 11:04:22 AM |
| LGD | Passed DB | 5/20/2012 12:33:28 PM |
| Permit | Oper. submitted revised well loc. plat, dev. drlg. plan, and dir. template for BHL change. Changed nearest well & lease line distances, TD, casing & cement, & BHL footages per oper.'s email. | 5/9/2012 7:05:08 AM |

Total: 5 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------|-----------------------|
| | |

Total: 0 comment(s)