

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:

400418386

Date Received:

05/14/2013

PluggingBond SuretyID

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: Angela Neifert-Kraiser Phone: (303)606-4398 Fax: (303)629-8268

Email: Angela.Neifert-Kraiser@WPXENERGY.COM

7. Well Name: Federal Well Number: RGU 33-23-198

8. Unit Name (if appl): Ryan Gulch Unit Unit Number: COC068239

X

9. Proposed Total Measured Depth: 12907

WELL LOCATION INFORMATION

10. QtrQtr: lot 16 Sec: 23 Twp: 1s Rng: 98w Meridian: 6

Latitude: 39.944747 Longitude: -108.353639

Footage at Surface: 1055 feet FNL/FSL 629 feet FEL/FWL FEL

11. Field Name: Sulphur Creek Field Number: 80090

12. Ground Elevation: 6566 13. County: RIO BLANCO

14. GPS Data:

Date of Measurement: 05/07/2013 PDOP Reading: 2.8 Instrument Operator's Name: Michael Langhorne

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

Footage at Top of Prod Zone: FNL/FSL 2448 FSL 1892 FEL 2448 FSL 1892 FEL 2448 FSL 1892 FEL 2448
Sec: 23 Twp: 1s Rng: 98w Sec: 23 Twp: 1s Rng: 98w

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: 947 ft

18. Distance to nearest property line: 10287 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 691 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.)
ILES	ILES			
SEGO	SEGO			
WILLIAMS FORK - CAMEO	WFCM			

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC60732

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

X

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):

Sec. 23 Lots 1-16 T1S-R98W & Sec. 26 Lots 2-16 T1S-R98W

25. Distance to Nearest Mineral Lease Line: 629 ft 26. Total Acres in Lease: 1205

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: R-Use, Evap & backfill

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	30	18	48	0	80	50	80	0
SURF	14+3/4	9+5/8	36	0	3,908	1,420	3,908	0
1ST	8+3/4	4+1/2	11.6	0	12,907	1,331	12,907	7,877

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

33. Comments Top of cement will be 200 OR MORE feet above the top of Mesaverde. Closed mud system will be used. Federal minerals and surface. A total of 19 wells will be drilled from the newly constructed RGU 43-23-198 well pad. See WPX Energy Master Drilling Plan dated 4/27/10 for Federal 10 point drilling plan.

34. Location ID: _____

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: Angela Neifert-Kraiser

Title: Regulatory Specialist Date: 5/14/2013 Email: Angela.Neifert-

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: 6/13/2013

API NUMBER

05 103 11979 00

Permit Number: _____ Expiration Date: 6/12/2015

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.

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400418386	FORM 2 SUBMITTED
400418398	FED. DRILLING PERMIT
400418869	DIRECTIONAL DATA
400418872	WELL LOCATION PLAT
400418876	DEVIATED DRILLING PLAN
400418879	DEVIATED DRILLING PLAN
400418880	LEGAL/LEASE DESCRIPTION

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No LGD or public comments. Final Review--passed.	6/13/2013 12:11:34 PM
Permit	Oper. corrected #17 to 947'.	5/30/2013 11:01:25 AM
Engineer	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 3001 FEET DEEP.	5/21/2013 4:56:41 PM
Permit	This form has passed completeness.	5/21/2013 6:56:27 AM
Permit	Sent back to draft at oper.'s request.	5/15/2013 6:37:15 AM

Total: 5 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Final Reclamation	<p>PRODUCTION/RECLAMATION BMP's</p> <ul style="list-style-type: none"> * Remove well pad and road surface materials that are incompatible with post-production land use and re-vegetation requirements * Use only certified weed-free native seed in seed mixes, except for non-native plants that benefit wildlife * WPX Energy will use certified, weed free grass hay, straw, hay or other mulch materials used for the reseeding and reclamation of disturbed areas. * Install exclusionary devices to prevent bird and other wildlife access to equipment stacks, vents and openings. * Reduce visits to well-sites through remote monitoring (i.e. SCADA) and the use of multi-function contractors.
Construction	<p>CONSTRUCTION BMP's</p> <ul style="list-style-type: none"> * Structures for perennial or intermittent stream channel crossings should be constructed using appropriately sized bridges or culverts * Design road crossings of streams at right angles to all riparian corridors and streams to minimize the area of disturbance to the extent possible. <p>Construct retention basins and ponds that benefit wildlife</p>
Planning	<p>PLANNING BMP's</p> <ul style="list-style-type: none"> * Share/consolidate corridors for pipeline ROWs to the maximum extent possible. * Locate roads outside of drainages where possible and outside of riparian habitat. * Minimize the number, length, and footprint of oil and gas development roads * Use existing roads where possible * Combine utility infrastructure (gas, electric, and water) planning with roadway planning to avoid separate utility corridors * Combine and share roads to minimize habitat fragmentation * Maximize the use of directional drilling to minimize habitat loss/fragmentation * Maximize use of remote completion/frac operations to minimize traffic * Maximize use of remote telemetry for well monitoring to minimize traffic
Drilling/Completion Operations	<p>DRILLING/COMPLETIONS BMP's</p> <ul style="list-style-type: none"> * Use centralized hydraulic fracturing operations. * Install and maintain adequate measures to exclude all types of wildlife (e.g., big game, birds, and small rodents) from all fluid pits (e.g., fencing, netting, and other appropriate exclusion measures). * Conduct well completions with drilling operations to limit the number of rig moves and traffic.

Total: 4 comment(s)