

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:

400400461

Date Received:

06/06/2013

PluggingBond SuretyID

20010023

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: K P KAUFFMAN COMPANY INC

4. COGCC Operator Number: 46290

5. Address: 1675 BROADWAY, STE 2800

City: DENVER State: CO Zip: 80202

6. Contact Name: Susana Lara-Mesa Phone: (303)825-4822 Fax: (303)825-4825

Email: slaramesa@kpk.com

7. Well Name: UPRR 42 PAN AM Well Number: N#4

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

9. Proposed Total Measured Depth: 5030

WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 17 Twp: 1N Rng: 67W Meridian: 6

Latitude: 40.045620 Longitude: -104.918790

Footage at Surface: 660 feet FSL 1490 feet FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 5128.22 13. County: WELD

14. GPS Data:

Date of Measurement: 02/05/2013 PDOP Reading: 1.3 Instrument Operator's Name: John Guyton

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
660 FSL 1980 FWL 660 FSL 1980 FWL
Sec: 17 Twp: 1N Rng: 67W Sec: 17 Twp: 1N Rng: 67W

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: 240 ft

18. Distance to nearest property line: 150 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1320 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.)
SUSSEX	SUSX	250-12	40	SESW

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):

SESW section 17 T1N-67W

25. Distance to Nearest Mineral Lease Line: 1454 ft

26. Total Acres in Lease: 40

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: _____

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
SURF	12+1/4	8+5/8	24	0	880	370	880	0
1ST	7+7/8	4+1/2	11.6	0	5,030	215	5,030	3,900

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

33. Comments No conductor casing will be used. This well will be drilled with a closed loop mud system. KPK is negotiating an SUA to build a tank battery approximately 200 ft west of the wellhead. If at the time of commencing drilling operations an agreement has not been reached, KPK will bond on. The tank battery could be added to location 317987.

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: Susana Lara-Mesa

Title: Engineering Project Mgr.

Date: 6/6/2013

Email: slaramesa@kpk.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: 6/28/2013

API NUMBER

05 123 37634 00

Permit Number: _____ Expiration Date: 6/27/2015

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.

Operator must meet water well testing requirements per Rule 318A.

- 1) Note surface casing setting depth change from 700' to 880'. Increase cement coverage accordingly and cement to surface.
- 2) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 3) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Sussex. Verify coverage with cement bond log.
- 4) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400400461	FORM 2 SUBMITTED
400404293	WELL LOCATION PLAT
400404298	LEASE MAP
400408969	HYDROLOGY MAP
400409783	DEVIATED DRILLING PLAN
400410973	TOPO MAP
400410979	OTHER
400430152	SURFACE AGRMT/SURETY
400430415	DIRECTIONAL DATA
400430416	DIRECTIONAL DATA

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	This form has passed completeness.	6/28/2013 8:35:26 AM
Permit	Changed distance to nearest bldg, road, RR or Utility from 146' to 240' per operator. Corrected mineral lease description to match lease map.	6/21/2013 11:06:31 AM
Permit	Per operator changed distance to nearest overhead utility from 663' to 146', & distance to nearest property line from 156' to 150'. ON HOLD: requesting BMP for overhead utility setback.	6/20/2013 10:23:35 AM
Permit	ON HOLD: requesting confirmation of distance to nearest overhead utility, & property line.	6/10/2013 4:28:08 PM
Permit	This form has passed completeness.	3/7/2013 9:34:41 AM
Permit	Back to draft for DS data template, Anti-Collision BMPs; and Offset well evaluation.	3/6/2013 4:13:53 PM

Total: 6 comment(s)

BMP

<u>Type</u>	<u>Comment</u>