

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:

400432849

Date Received:

06/12/2013

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 531-26-198

8. Unit Name (if appl): RYAN GULCH UNIT Unit Number: 068239X

9. Proposed Total Measured Depth: 12737

WELL LOCATION INFORMATION

10. QtrQtr: LOT 8 Sec: 26 Twp: 1S Rng: 98W Meridian: 6

Latitude: 39.935220 Longitude: -108.354522

Footage at Surface: 2417 feet FNL/FSL 890 feet FEL/FWL FEL

11. Field Name: SULPHUR CREEK Field Number: 80090

12. Ground Elevation: 6623 13. County: RIO BLANCO

14. GPS Data:

Date of Measurement: 02/14/2013 PDOP Reading: 2.0 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 1295 FNL 1898 FEL 1295 FNL 1898 FEL
Sec: 26 Twp: 1S Rng: 98W Sec: 26 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: 263 ft

18. Distance to nearest property line: 6912 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 345 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

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):
SEE ATTACHED

25. Distance to Nearest Mineral Lease Line: 625 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: RE-USE & EVAP &

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	32.3	0	3,912	1,419	3,912	0
1ST	8+3/4	4+1/2	11.6	0	12,737	1,307	12,737	7,707

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

33. Comments Top of cement will be at least 200 feet above the top of Mesaverde. Closed mud system will be used. Federal minerals and surface. A total of 21 wells will be drilled from the newly planned RGU 42-26-198 well pad. See WPX Energy Master Drilling Plan dated 4/27/10 for Federal 10 point drilling plan.

34. Location ID: 433271

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: 6/12/2013 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: Matthew Lee Director of COGCC Date: 7/13/2013

API NUMBER

05 103 11985 00

Permit Number: _____ Expiration Date: 7/12/2015

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
400432849	FORM 2 SUBMITTED
400432855	DIRECTIONAL DATA
400432857	DEVIATED DRILLING PLAN
400432859	DEVIATED DRILLING PLAN
400432860	WELL LOCATION PLAT
400432861	FED. DRILLING PERMIT
400432862	LEGAL/LEASE DESCRIPTION

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected dist. to min. lease. 2A approved 6/13/2013 with 10 APD's. This APD is part of 11-well package to complete pad. Distance to nearest unit boundary > one mile. No LGD or public comments. Final Review--passed.	7/10/2013 10:17:59 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.	6/19/2013 10:26:47 AM
Permit	Operator corrected county and operator comments. This form has passed completeness.	6/13/2013 10:13:29 AM
Permit	Returned to draft. Requested corrected county and operator comments.	6/13/2013 6:38:22 AM

Total: 4 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Construction	<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.
Drilling/Completion Operations	<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.
Final Reclamation	<ul style="list-style-type: none"> * 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.
Planning	<ul style="list-style-type: none"> * Share/consolidate corridors for pipeline ROWs to the maximum extent possible. * Maximize the utility of surface facilities by developing multiple wells from a single pad (directional drilling), and by co-locating multipurpose facilities (for example, well pads and compressors) to avoid unnecessary habitat fragmentation and disturbance of additional geographic areas. * Avoid constructing any road segment in the channel of an intermittent or perennial stream * Avoid new surface disturbance and placing new facilities in key wildlife habitats in consultation with CDOW. * 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 * Where possible, consolidate pipeline and existing roadways, or roadways that are planned for development * Place roads to avoid obstructions to migratory routes for wildlife, and to avoid displacement of wildlife from public to private lands. * 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 * Phase and concentrate development activities, so that large areas of undisturbed habitat for wildlife remain. * Maintain undeveloped areas within development boundaries sufficient to allow wildlife to persist within development boundaries during all phases of construction, drilling, and production.

Total: 4 comment(s)