

FORM
2

Rev
08/13

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:

400490507

APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Date Received:

10/24/2013

Well Name: STATE

Well Number: 4-16-9-60

Name of Operator: CARRIZO NIOBRARA LLC

COGCC Operator Number: 10439

Address: 500 DALLAS STREET #2300

City: HOUSTON

State: TX

Zip: 77002

Contact Name: CYNTHIA PINEL

Phone: (713)358-6210

Fax: ()

Email: CYNTHIA.PINEL@CRZO.NET

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20120105

WELL LOCATION INFORMATION

QtrQtr: NWNW Sec: 16 Twp: 9N Rng: 60W Meridian: 6

Latitude: 40.754950

Longitude: -104.104630

Footage at Surface: 730 feet FNL/FSL FNL 733 feet FEL/FWL FWL

Field Name: WILDCAT

Field Number: 99999

Ground Elevation: 5012

County: WELD

GPS Data:

Date of Measurement: 05/06/2013

PDOP Reading: 2.0

Instrument Operator's Name: DAVE MURREY

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

Footage at Top of Prod Zone: FNL/FSL FNL/FWL Bottom Hole: FNL/FSL FNL/FWL
600 FNL 900 FWL 600 FSL 900 FWL
Sec: 16 Twp: 9N Rng: 60W Sec: 16 Twp: 9N Rng: 60W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian

The Surface Owner is: ☒ is the mineral owner beneath the location.

(check all that apply)

☒ is committed to an Oil and Gas Lease.

☒ has signed the Oil and Gas Lease.

☐ is the applicant.

The Mineral Owner beneath this Oil and Gas Location is: ☐ Fee ☒ State ☐ Federal ☐ Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: Yes

The right to construct the Oil and Gas Location is granted by: oil and gas lease

Surface damage assurance if no agreement is in place:

Surface Surety ID:

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

Township 9 North, Rancge 60W of the 6th P.M., Section 16:ALL

Total Acres in Described Lease: 640 Described Mineral Lease is: ☐ Fee ☒ State ☐ Federal ☐ Indian

Federal or State Lease # 3756606

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 600 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 4264 Feet

Building Unit: 4345 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 4595 Feet

Above Ground Utility: 4585 Feet

Railroad: 5280 Feet

Property Line: 730 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: ☐ Buffer Zone
☐ Exception Zone
☐ Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: _____

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 26 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 600 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR	535-425	640	SECTION 16, 9N, 60W

DRILLING PROGRAM

Proposed Total Measured Depth: 10847 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 178 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H₂S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? No

BOP Equipment Type: ☒ Annular Preventor ☒ Double Ram ☒ Rotating Head ☐ None

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 609

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

Beneficial reuse or land application plan submitted?

Reuse Facility ID: or Document Number:

CASING PROGRAM

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	16	15+1/4	65	0	60	6	60	
SURF	12+1/4	9+5/8	23	0	1400	534	1400	0
1ST	8+3/4	7	23	0	6542	566	6542	
1ST LINER	6+1/4	4+1/2	11.6	5035	10847			

☐ Conductor Casing is NOT planned

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- ☐ Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- ☐ Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- ☐ Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- ☐ Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 318A.a. Exception Location (GWA Windows).
- ☐ Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

☐ Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number

OTHER LOCATION EXCEPTIONS

Check all that apply:

- ☒ Rule 318.c. Exception Location from Rule or Spacing Order Number 535-425
- ☐ Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments: Swell packer will be set beyond 600' from the section line to keep wellbore from 7" casing unproduced. October hearing 1309-AW-64 set for 300' setback to between wells. Form 2 application being submitted contingent on spacing order approval.

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 417324

Is this application being submitted with an Oil and Gas Location Assessment application? Yes

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

Signed: _____ Print Name: Cynthia Pinel

Title: Regulatory Comp. Analyst Date: 10/24/2013 Email: cynthia.pinel@crzo.net

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: 11/21/2013

Expiration Date: 11/20/2015

API NUMBER

05 123 38453 00

Conditions Of Approval

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.

COA Type**Description**

	1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU. 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log. 3) 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.
	Operator acknowledges the proximity of the non-operated STATE 1-16 (API # 123-07196) well. Operator has made application to re-enter/re-plug this well, Doc. # 400508232. Operator assures that this offset will be remediated per the DJ Basin Horizontal Offset Policy (option 3) or operator will address this well with mitigation option 4. Operator will submit a Form 42 ("OTHER – AS SPECIFIED BY PERMIT CONDITION") stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Pre-Construction	The COGCC to be notified 48 hours prior to construction the Fresh Water Storage Pit. In addition, will obtain permit approval prior to construction.
2	Storm Water/Erosion Control	Operator has designed the well pad with insloping and a storm water control ditch to prevent sotm water run-on/runoff and release of fluids from the lcoation. See attached Construction Layout Drawing.
3	Material Handling and Spill Prevention	Operator will ensure 110 percent secondary containment for any volume of fluids contaed at the well site during drilling and completion. Operator will implement best amangement practices to contain any unintentional release of fluids. Operator shall not allow any fluids to flow back to the Fresh Water Storage Pit/Pond.
4	Construction	The location will be fenced and the fenced area will include the Fresh Water Storage Pit.
5	Drilling/Completion Operations	Fresh water for the Fresh Water Storage Pit comes from water provider; Is trucked in. Water sources permitted for consumable industrial use. Fresh Water Storage Pit shall contain fresh water only and signage prohibiting theuse of the pit for any fluid that does not come from municipia, irrigation or surface water source. Operator will implement interim relcation measures immediately after construction of the location to stabilize cut and fill slopes, stablize the topsoil and spoil stockpiles, establish desirable vegetation and control weeds on the location.

Total: 5 comment(s)

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Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2157318	EXCEPTION LOC REQUEST
2157319	EXCEPTION LOC WAIVERS
400490507	FORM 2 SUBMITTED
400499433	DEVIATED DRILLING PLAN
400499434	WELL LOCATION PLAT
400499450	CONST. LAYOUT DRAWINGS
400499452	DIRECTIONAL DATA

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.	11/21/2013 6:50:07 AM
Permit	Tim K. at SLB confirmed surface restoration bond in order.	11/19/2013 2:12:09 PM
Permit	Oper. submitted exc. loc. req. ltr. and SBL waiver. Corrected dist. to nearest well based on that ltr. Corrected spacing order. Rq'd SLB approval of surf. restoration bond.	11/11/2013 9:06:27 AM
Permit	This form has passed completeness.	10/25/2013 8:45:51 AM
Permit	Changed BHL to 600 FSL per well location plat.	10/25/2013 8:45:51 AM

Total: 5 comment(s)