

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

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Document Number:

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Date Received:

07/30/2013

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: Deering Well Number: #33-3H

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

9. Proposed Total Measured Depth: 11763

WELL LOCATION INFORMATION

10. QtrQtr: SWNW Sec: 33 Twp: 4N Rng: 67W Meridian: 6

Latitude: 40.270190 Longitude: -104.903870

Footage at Surface: 2377 feet FNL 312 feet FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4905 13. County: WELD

14. GPS Data:

Date of Measurement: 07/25/2013 PDOP Reading: 1.5 Instrument Operator's Name: E. Davis

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 _____
1503 FNL 744 FWL 1457 FNL 460 FEL
Sec: 33 Twp: 4N Rng: 67W Sec: 33 Twp: 4N 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: 286 ft

18. Distance to nearest property line: 250 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 175 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.)
NIOBRARA	NBRR		320	GWA

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):

N/2 of section 33-T4N-R67W

25. Distance to Nearest Mineral Lease Line: 460 ft 26. Total Acres in Lease: 320

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	13+3/4	9+5/8	36	0	700	320	700	0
1ST	8+3/4	7	26	0	7600	650	7600	0
1ST LINER	6+1/8	4+1/2	11.6	7400	11763			

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

33. Comments Proposed spacing unit is N2 Sec 33, T4N, R67WNo conductor casing will be usedOperator requests approval of a Rule 318Aa and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Request and waivers attached. Waivers are highlighted in SUA.

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: 7/30/2013 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: *Matthew Lee* Director of COGCC Date: 11/21/2013

API NUMBER **05 123 38462 00** Permit Number: _____ Expiration Date: 11/20/2015

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.

Description

1) Provide 48 hour notice of MIRU via an electronic Form 42.

2) Comply with Rule 317.i and provide cement coverage a minimum of 200' above the Niobrara. Verify cement coverage with a cement bond log per Rule 317.o.

3) Operator acknowledges the proximity of the Anderson 1 (API #123-105580), Camenisch 1 (API #123-10882), Stroh 1 (API #123-10865), Frank 1 (API #123-08586), Koester 23-33 (API #123-17919), Koester 13-33 (API #123-17980), Camenisch 33-33 (API #123-18013), Camenisch 43-33 (API #123-18014), Weiss 34-417 (API #123-18032), and Weiss 3-34 (API #123-10896) wells. Operator agrees to: provide mitigation option 1, 2 or 3 (per the DJ Basin Horizontal Offset Policy) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and 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.

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

Data retrieval failed for the subreport 'IntPolicy_MTO' located at: \\DorDonSterling\FarmReports\policy_nto.rdl. Please

Attachment Check List

Att Doc Num	Name
2167374	DEVIATED DRILLING PLAN
2167387	LEASE MAP
2167470	OFFSET WELL EVALUATION
400406892	FORM 2 SUBMITTED
400451022	EXCEPTION LOC REQUEST
400457043	PLAT
400457045	EXCEPTION LOC REQUEST
400457153	SURFACE AGRMT/SURETY
400459833	PROPOSED SPACING UNIT
400489229	DIRECTIONAL DATA

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	11/18/2013 1:39:32 PM
Engineer	Evaluated offset wells for adequate coverage. The existing surface casing check on file is still valid and the proposed surface casing setting depth is adequate. See document number 1707083.	10/29/2013 4:41:20 PM
Permit	Corrected casing depth and proposed TD as per opr. Moving form back to In Process.	10/18/2013 8:53:18 AM
Permit	Opr has changed drilling plan to meet 460 setback and sent new DS and Data template. Attached as per opr. Added description of proposed spacing unit in Opr comments. Attached new Lease map as per opr. Corrected distance to mineral lease line from 207' to 460' as per opr. Corrected distance to nearest well permitted or completed in the same formation to 175' as per opr.	9/4/2013 10:47:26 AM
Permit	Undrilled wells will be either abandoned or relocated to avoid any collision issues keeping them at least 150' away from the proposed wellbore. No Sundries for this work. Lease map, Unit configuration, and acres in lease are the same and questionable.	3/7/2013 3:47:29 PM
Permit	Passed completeness.	7/31/2013 8:23:12 AM
Permit	Operator supplied number of acres and distance to nearest lease line, lease description and resubmitted.	7/31/2013 8:22:33 AM
Permit	Returned to DRAFT. Missing number of acres and the distance to the nearest lease line and lease description.	7/31/2013 8:12:53 AM

Total: 8 comment(s)

Best Management Practices

No	BMP/COA Type	Description
1	General Housekeeping	Housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite suitable facilities according to WMP. If spills occur prompt cleanup is required to minimize any commingling of waste materials with stormwater runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal at a certified facility. There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup of trash and discarded materials will be conducted at the end of each workday. Cleanup will consist of patrolling the roadway, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, any contaminated soil, and dust control on location. Materials will be disposed of properly.
2	Storm Water/Erosion Control	Storm water Management Plan (SWMP) will be in place to address construction, drilling and operations associated with oil and gas development throughout the state of Colorado in accordance with Colorado Department of Public Health and Environment (CDPHE) General Permit rules. BMP's used will vary according to location, and will remain in place until the pad reached final reclamation.
3	Material Handling and Spill Prevention	Spill Prevention Control and countermeasure plan (SPCC) is in place to address construction, drilling and operations associated with oil and gas development throughout the state of Colorado in accordance with CFR 112.
4	Drilling/Completion Operations	<p>Pre-Spud Anti-collision Prior to drilling operations, operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, operator may have gyro surveys conducted to verify bottomhole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to the COGCC with the Form 5.</p> <p>During and Post Stimulation K.P. Kauffman, Inc. will comply with the COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.</p> <p>At least 90 days prior to fracture stimulation, the Operator shall notify all operators of non-operated wells within 1500' of the wellbore to be fracture stimulated of the anticipated stimulation date and the recommended best management practice to shut-in all wells within 1500' of the stimulated wellbore completed in the same formation. The Operator will monitor bradenhead pressure of all wells under Operator's control within 300 feet of the well which is to be treated, provided such other wells penetrate the productive zone which is to be treated.</p>

Total: 4 comment(s)