

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:

400406669

### APPLICATION FOR PERMIT TO:

Drill       Deepen       Re-enter       Recomplete and Operate

Date Received:

09/20/2013

TYPE OF WELL    OIL     GAS     COALBED     OTHER \_\_\_\_\_

Refiling

ZONE TYPE    SINGLE ZONE     MULTIPLE ZONES     COMMINGLE ZONES

Sidetrack

Well Name: Sunmarke      Well Number: #22-2H

Name of Operator: K P KAUFFMAN COMPANY INC      COGCC Operator Number: 46290

Address: 1675 BROADWAY, STE 2800

City: DENVER      State: CO      Zip: 80202

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

Email: slaramesa@kpk.com

### RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20010023

### WELL LOCATION INFORMATION

QtrQtr: SESW      Sec: 22      Twp: 4N      Rng: 67W      Meridian: 6

Latitude: 40.293010      Longitude: -104.877790

	FNL/FSL		FEL/FWL
Footage at Surface: <u>809</u> feet	<u>FSL</u>	<u>2369</u> feet	<u>FWL</u>

Field Name: Wattenberg      Field Number: 90750

Ground Elevation: 4864      County: WELD

#### GPS Data:

Date of Measurement: 07/24/2013    PDOP Reading: 1.3    Instrument Operator's Name: David Zeroll

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
<u>2039</u>	<u>FSL</u>	<u>1844</u>	<u>FWL</u>	<u>2030</u>	<u>FSL</u>	<u>2180</u>	<u>FEL</u>
Sec: <u>22</u>	Twp: <u>4N</u>	Rng: <u>67W</u>		Sec: <u>21</u>	Twp: <u>4N</u>	Rng: <u>67W</u>	

### 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.)

SW/4 of Section 22 and the SE/4 of Section 21-T4N-R67W

Total Acres in Described Lease: 320 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # \_\_\_\_\_

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 460 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 742 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 790 Feet

Above Ground Utility: 171 Feet

Railroad: 5280 Feet

Property Line: 253 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: 44 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

## SPACING & FORMATIONS COMMENTS

Proposed Spacing Unit is N2SW4 of Sec 22 and N2SE4 of Sec 21 4N 67W  
the nearest well permitted in the same formation is McCarty 20-21-9 123-26730  
The nearest well completed in the same formation is McCarty 10-21 123-36729

## OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CODELL	CODL		160	GWA

## DRILLING PROGRAM

Proposed Total Measured Depth: 11838 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 201 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S 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 318A

### DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Land application

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Other

Other Disposal Description:

KPK has an existing contract with a surface owner to reuse drill cuttings

Beneficial reuse or land application plan submitted? No

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
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	11838			

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 \_\_\_\_\_
- 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 No conductor casing will be used. Operator requests approval of a Rule 318Aa and Rule 318 Ac exception location. Wellhead will be 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. Current approved permits for undrilled wells will be abandoned or relocated to avoid any collision issues keeping them at least 150' away from the proposed wellbore. Operator acknowledges the proximity of the McCarty 10-21 (API 123-26729) well. 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.  
Per Rule 603a, Operator acknowledges proximity to electric power line. Operator agrees to temporarily relocate the powerline 100 ft away from the location prior to mobilization of drilling equipment

This application is in a Comprehensive Drilling Plan \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: 332825

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: Susana Lara-Mesa

Title: Engineering Project Mgr. Date: 9/20/2013 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: 11/29/2013

Expiration Date: 11/28/2015

API NUMBER

05 123 38552 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

- |  |   |
|--|---|
|  | <p>1) Provide 48 hour notice of MIRU via an electronic Form 42.</p> <p>2) Comply with Rule 317.i and provide cement coverage from the 7" casing TD to a minimum of 200' above the Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with a cement bond log.</p> <p>3) Operator acknowledges the proximity of the McCarty 2 (API #123-10514), McCarty 1 (API #123-10232), Beeler 22-13 (API #123-21053), Gollner O 27-02 (API #123-15967), and Gollner O 27-03 (API #123-15968) 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.</p> |
|--|---|



<u>Att Doc Num</u>	<u>Name</u>
2167514	VARIANCE REQUEST
400406669	FORM 2 SUBMITTED
400469571	PLAT
400469574	SURFACE AGRMT/SURETY
400480771	OffsetWellEvaluations Data
400482802	DIRECTIONAL DATA
400483326	EXCEPTION LOC REQUEST
400483327	EXCEPTION LOC REQUEST
400483512	DEVIATED DRILLING PLAN

Total Attach: 9 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Fianl review complete.	11/21/2013 8:24:50 AM
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 1990974.	11/5/2013 12:51:50 PM
Permit	Offset well information is an attachment due to problems in the form at the time of submittal. Opr requested the following comment be added: Per Rule 603a, Operator acknowledges proximity to electric power line. Operator agrees to temporarily relocate the powerline 100 ft away from the location prior to mobilization of drilling equipment. Added comments and corrected distance to nearest well completed/permitted in same formation, Attached Variance Request as per opr.	10/22/2013 3:19:16 PM
Permit	Form 2 attachment didn't come across - Help Desk notified. Offset Well evaluation is an attachment instead of being loaded in the form. Above Ground Utility is less than 200'. Corrected related form 2A and added location ID, as per opr.	10/22/2013 8:54:12 AM
Permit	Passes Completeness: Surveyor error in stating field-measured distance from nearer section line is corrected by operator in giving surface location.	9/23/2013 9:56:14 AM

Total: 5 comment(s)