

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:

400480097

## APPLICATION FOR PERMIT TO:

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

Date Received:

10/25/2013

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER \_\_\_\_\_Refilling ☐ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☐

Well Name: NOLTE

Well Number: 13A-13

Name of Operator: CAERUS PICEANCE LLC

COGCC Operator Number: 10456

Address: 600 17TH STREET #1600N

City: DENVER State: CO Zip: 80202

Contact Name: CLAYTON DOKE

Phone: (303)216-0703

Fax: (303)216-2139

Email: cdoke@iptengineers.com

## RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20130021

## WELL LOCATION INFORMATION

QtrQtr: SESE Sec: 14 Twp: 7S Rng: 96W Meridian: 6

Latitude: 39.432458

Longitude: -108.069192

Footage at Surface: 817 feet FNL/FSL FSL 345 feet FEL/FWL FEL

Field Name: GRAND VALLEY

Field Number: 31290

Ground Elevation: 5091

County: GARFIELD

GPS Data:

Date of Measurement: 06/13/2013 PDOP Reading: 2.1 Instrument Operator's Name: UINTAH

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

 2435 FSL 660 FWL 2435 FSL 660 FWL  
 Sec: 13 Twp: 7S Rng: 96W Sec: 13 Twp: 7S Rng: 96W

## LOCATION SURFACE &amp; MINERALS &amp; RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ IndianThe 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.)

Please see the attached Mineral Lease Map

Total Acres in Described Lease: 5231 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: 235 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1951 Feet

Building Unit: 4182 Feet

High Occupancy Building Unit: 4393 Feet

Designated Outside Activity Area: 3747 Feet

Public Road: 412 Feet

Above Ground Utility: 497 Feet

Railroad: 221 Feet

Property Line: 168 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: 330 Feet

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

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

## SPACING & FORMATIONS COMMENTS

Township 7 South, Range 96 West, Section 13; NW/4 NW/4 SW/4

## OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
MESAVERDE	MVRD	479-21	10	NW/4 NW/4 SW/4

## DRILLING PROGRAM

Proposed Total Measured Depth: 6543 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 330 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 H<sub>2</sub>S 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: Other

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Other

Other Disposal Description:

Please see the attached Waste Management Plan

Beneficial reuse or land application plan submitted? Yes

Reuse Facility ID: \_\_\_\_\_ or Document Number: 400475679

## CASING PROGRAM

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	26	16	84	0	60	240	60	0
SURF	13+1/2	9+5/8	36	0	1000	290	1000	0
1ST	8+3/4	4+1/2	11.6	0	6543	930	6543	2345

☐ 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	
This application is in a Comprehensive Drilling Plan _____ CDP #: _____ Location ID: _____ 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: <u>Matthew A. Wurtzbacher</u> Title: <u>President</u> Date: <u>10/25/2013</u> Email: <u>matt@caerusoilandgas.com</u>	
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: <u></u> Director of COGCC Date: <u>1/10/2014</u> <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>API NUMBER</b>            05 045 22308 00         </div> <div>           Expiration Date: <u>01/09/2016</u> </div> </div>	

### 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.**

<u>COA Type</u>	<u>Description</u>
	(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.  (2) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE GARFIELD COUNTY RULISON-FIELD NOTICE TO OPERATORS IS REQUIRED.  (3) CEMENT ON PRODUCTION CASING MUST BE A MINIMUM OF 200' ABOVE THE TOP OF THE MESA-VERDE FORMATION (OR 200' ABOVE THE OHIO CREEK FORMATION IF PRESENT). CEMENT TOP VERIFICATION BY CBL IS REQUIRED.
	Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire wellbore and to adequately verify the setting depth of surface casing and aquifer coverage. On a multi-well pad, these open hole logs are only required on one of the first wells drilled on the pad and the Form 5 for every well on the pad shall identify which well was logged.

### Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>

### **Applicable Policies and Notices to Operators**

Piceance Rulison Field - Notice to Operators.

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

### **Attachment Check List**

<b><u>Att Doc Num</u></b>	<b><u>Name</u></b>
400480097	FORM 2 SUBMITTED
400480105	WELL LOCATION PLAT
400480106	DEVIATED DRILLING PLAN
400480108	DIRECTIONAL DATA
400494378	WASTE MANAGEMENT PLAN
400494381	MINERAL LEASE MAP

Total Attach: 6 Files

### **General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>
Permit	Final review completed. No LGD comments.	1/7/2014 9:38:39 AM
Permit	Operator requested the change in distance to nearest lease line from 660' to 235'.	1/7/2014 9:38:14 AM
Permit	Distance to nearest lease line says 660' but it appears to be closer to 235' to lease line due east of the BHL.	12/5/2013 8:47:49 AM
LGD	pass, gdb	11/13/2013 2:07:59 PM
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 160 FEET DEEP.	10/29/2013 3:51:03 PM
Permit	This form has passed completeness.	10/28/2013 9:52:20 AM

Total: 6 comment(s)