

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:

400414595

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:

01/30/2014

Well Name: La Plata 33-7-16

Well Number: #1

Name of Operator: COLEMAN OIL & GAS INC

COGCC Operator Number: 18160

Address: PO BOX 3337

City: FARMINGTON

State: NM

Zip: 87499

Contact Name: Michael Hanson

Phone: (505)327-0356

Fax: (505)327-9425

Email: mhanson@cog-fmn.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20100065

WELL LOCATION INFORMATION

QtrQtr: NENE Sec: 16 Twp: 33N Rng: 7W Meridian: N

Latitude: 37.108400

Longitude: -107.607220

Footage at Surface: 1063 feet FNL/FSL FNL 606 feet FEL/FWL FEL

Field Name: Ignacio Blanco

Field Number: 38300

Ground Elevation: 6577

County: LA PLATA

GPS Data:

Date of Measurement: 02/07/2012 PDOP Reading: 2.0 Instrument Operator's Name: Scott Weibe

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 FEL/FWL
1063 750 1063 FNL 750 FEL
Sec: 16 Twp: 33N Rng: 7W Sec: 16 Twp: 33N Rng: 7W

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: Surface Use Agreement

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 33 North, Range 7 West, Section 16: NE/4NE/4

Total Acres in Described Lease: 40 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: 606 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1260 Feet
Building Unit: 1485 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 3900 Feet
Above Ground Utility: 3900 Feet
Railroad: 5280 Feet
Property Line: 240 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: 1260 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 750 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.)
FRUITLAND COAL	FRLDC	112-61	320	N/2

DRILLING PROGRAM

Proposed Total Measured Depth: 3030 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1933 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 608

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: _____ Drilling Fluids Disposal Methods: Commercial Disposal

Cuttings Disposal: _____ Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

See attached Waste Management Plan.

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
SURF	12+1/4	9+5/8	36	0	250	150	250	0
1ST	8+3/4	7+0/0	20	0	3030	472	3030	0

☒ 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 112-60 - 112-61
- ☐ 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? _____ No

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

Signed: _____ Print Name: Robert D. Joyce

Title: Agent Date: 1/30/2014 Email: jlr@animas.net

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: _____

Expiration Date: _____

API NUMBER

05

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**

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Best Management Practices**No** **BMP/COA Type** **Description**

1	Community Outreach and Notification	Rule 604.a (2)-There are no buildings or building units within 1000' of the proposed well.
2	Pre-Construction	Rule 604.c.(2)W-Pre-construction consultation occurred at the time the Surface Damage Agreement was negotiated. In subsequent conversations with the surface owner, no changes were requested and none are anticipated.
3	Traffic control	Rule 604.c.(2)D- Access is via a gravel road off State Highway 151 approximately 2.1 miles from its intersection with State Highway 172. Well location is approximately ¾ mile from intersection at State Highway 151. Access is granted by existing Road Use agreement and in Surface Damage Agreement (both attached). Coleman agrees to comply with any CDOT traffic control requirements required for this well.
4	General Housekeeping	Rule 604.c.(2)P- Trash containers will be maintained on site. Trash will be hauled to and disposed at a commercial landfill.
5	Storm Water/Erosion Control	Wattles will be placed where necessary around the perimeter of the site prior to, or at the beginning of construction. The size and quantity of the wattles used will vary according to the location to insure adequate protection of drainage areas.
6	Material Handling and Spill Prevention	Rule 604.c.(2)G.- Berms will be constructed with corrugated metal sides and will be sufficient in height and area to contain 150% of the volume of the largest single tank. Synthetic liners will be used under tanks on location. Rule 604.c.(2)N-Any materials not in use that might constitute a fire hazard will be removed a minimum distance of twenty five feet from the wellhead, tanks and separator. No electrical equipment installations are planned inside the bermed area.

7	Construction	<p>Rule 604.c.(2)V.- The La Plata 33-7 16#1 well will be located on a newly constructed well pad which lies within the perimeter of an abandoned gravel pit.</p> <p>Rule 604.c.(2)B.- no fresh water pits are planned.</p> <p>Rule 604.c.(2)E- An existing access road will be used and improved where necessary to meet county access requirements. No new disturbance is anticipated. Standard specifications for this access road include a driving surface constructed with with 6 inches of 3" minus gravel over a driving surface approximately 12 feet in width, crowned, with ditches and culverts where necessary for drainage.</p> <p>Rule 604.c.(2)M.- The tract of land where the well pad is located is perimeter fenced with a gate located approximately ¼ mile Northeast of the well location.</p> <p>Rule 604.c.(2)V-Does not apply as a new pad is being constructed and lies over 1000' from any building or building unit.</p>
8	Noise mitigation	<p>(Rule 604.c.(2)A Drilling and Completion: Due to the distance of well location from existing building units, no disturbance to inhabitants of residences in the area is anticipated. Noise levels will be monitored by operator and if exceeds acceptable levels operator agrees to install sound walls or, if necessary, provide reasonable motel accommodations for the affected party.</p> <p>Post-production: In the event that there are complaints due to noise levels from the well, Coleman will orient exhaust away from the affected party and will use hospital grade mufflers, buried, in series. Coleman will install sound walls if necessary</p>
9	Drilling/Completion Operations	<p>Rule 604.c.(2)B.- A closed loop system will be used. No fresh water pits are planned. Fresh water will be stored in above ground tanks.</p> <p>Per Rule 604.c.(2)C.)-i.- There are producing wells within one mile of the location of the proposed La Plata 33-7 16#1 well. It is anticipated that this will be a producing well and, if so, Coleman will comply with applicable requirements under Rule 805.</p> <p>ii- No uncontrolled venting is anticipated (based on 500 mcf)</p> <p>iii-aa., bb. cc.- Coleman will use a system capable of handling 1.5 Mmcf. Anticipated flowback is 0.5 Mmcf or less. No necessity for flaring is anticipated.</p> <p>(Rule 604.c.(2)H.- This is not a designated setback location. Double Ram will be used.</p> <p>Rule 604.c.(2)I.- BOPE pressure testing will be performed weekly.</p> <p>604.c.(2)K.- Pit level indicators will be used.</p> <p>604.c.(2)L- Drill stem tests are not typically done and none are anticipated.</p> <p>Rule 604.c.(2)O- Load lines will be bullplugged</p> <p>Rule 604.c.(2)Q- Guy line anchors will be identified per COGCC rules and are tested before each use.</p> <p>Rule 604.c.(2)S. – Existing access road will be used and maintained for all weather use and will meet any safety requirements.</p>

Total: 9 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400414595	FORM 2 SUBMITTED
400533678	DEVIATED DRILLING PLAN
400538084	OTHER
400538085	SURFACE AGRMT/SURETY
400538341	DRILLING PLAN
400538342	EXCEPTION LOC WAIVERS
400538829	EXCEPTION LOC REQUEST
400538891	WASTE MANAGEMENT PLAN
400548358	WELL LOCATION PLAT
400549331	DIRECTIONAL DATA

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Returned to draft: Directional data still not uploaded. Please check/correct your spreadsheet headings, fields, records, and formats and resubmit.	2/3/2014 9:50:50 AM
Permit	Returned to draft: Contact is not a registered agent. Directional data not uploaded. Several attachments not needed for a Form 2 submittal and are required for Form 2A including: Access Road Map, Location Drawing, Construction Layout Drawing.	1/31/2014 11:00:54 AM

Total: 2 comment(s)