

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:

400561620

APPLICATION FOR PERMIT TO:

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

Date Received:

02/27/2014

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Anschutz State

Well Number: 5-61-19-4956BH2

Name of Operator: BARRETT CORPORATION* BILL

COGCC Operator Number: 10071

Address: 1099 18TH ST STE 2300

City: DENVER State: CO Zip: 80202

Contact Name: Mary Pobuda

Phone: (303)312-8511

Fax: (303)291-0420

Email: mpobuda@billbarrettcorp.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20040060

WELL LOCATION INFORMATION

QtrQtr: Lot 4 Sec: 19 Twp: 5N Rng: 61W Meridian: 6

Latitude: 40.381725

Longitude: -104.260619

Footage at Surface: 1000 feet FNL/FSL FSL 300 feet FEL/FWL FWL

Field Name: RIVERSIDE

Field Number: 73800

Ground Elevation: 4531

County: WELD

GPS Data:

Date of Measurement: 12/23/2014 PDOP Reading: 1.6 Instrument Operator's Name: Dallas Nielsen

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

Footage at Top of Prod Zone: FNL/FSL FSL 1331 FSL 500 FWL 1331 FSL 500 FEL FEL
Sec: 19 Twp: 5N Rng: 61W Sec: 20 Twp: 5N Rng: 61W

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: Bond

Surface damage assurance if no agreement is in place: Blanket

Surface Surety ID: 20040097

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.)

See attached lease map.

Total Acres in Described Lease: 640 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: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 2942 Feet

Above Ground Utility: 3231 Feet

Railroad: 5280 Feet

Property Line: 300 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: 250 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 500 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

This location is on the March docket (#1403-SP-2028) to establish 1280-acre DSU for 16 Niobrara wells.

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	407-947	1280	S. 19 & 20:All

DRILLING PROGRAM

Proposed Total Measured Depth: 15899 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 51 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 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:

Cuttings from the vertical portion of the well will be hauled to Krier Spread field. Cuttings from the lateral portion of the wellbore will be hauled to a commercial disposal facility OR treated to meet table 910 standards then hauled to Krier.

Beneficial reuse or land application plan submitted? Yes

Reuse Facility ID: 430225 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	24	16	65	0	60	50	60	0
SURF	13+1/2	9+5/8	36	0	800	430	800	0
1ST	8+3/4	7	26	0	6296	530	6296	600
1ST LINER	6+1/8	4+1/2	11.6	5600	15899			

☐ 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 well is an exception to rules 318A.a. & 318A.c., please see the attached exception request & waiver. Please note that the permitted location in section 20 of 5N-61W (Sandborn 7-20H) is being rescinded for collision avoidance. The Jacobs/MGF R-1 (123-13021) & Equus Farms 20-1H #1 (123-15125) are within 150' of the proposed wellbore, please see the attached rule 318Am exception request letter.

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: Mary Pobuda

Title: Permit Analyst Date: 2/27/2014 Email: mpobuda@billbarrettcorp.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: 5/15/2014

Expiration Date: 05/14/2016

API NUMBER

05 123 39446 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>Operator acknowledges the proximity of the following offset well(s) of concern. Operator proposes to renter and replug:</p> <p>05-123-05174, MCPHERSON 1, 05-123-05175, QUIRK 1, 05-123-13021, JACOBS/MGF R-1, 05-123-10496, ANSLEY 1.</p> <p>Operator agrees to: comply with 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 Form 42(s) ("OFFSET MITIGATION COMPLETED") for the remediated wells, referencing the API Number of the proposed horizontal well(s) stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.</p>
	<p>1) Provide 48 hour notice prior to spud via electronic Form 42. 2) Provide cement coverage to a minimum of 200' above Niobrara. Verify coverage with cement bond log. 3) 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.</p>

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Anti-collision Mitigation: Prior to drilling operations, Operator will perform a risk analysis of the potential for subsurface collision with existing offset wells within close proximity of the proposed well, taking into consideration the possibility of well path drift for both the existing and proposed wells. Where inclination, MWD or gyro surveys of the offset wells are available, or can be reasonably obtained by the operator, such surveys shall be incorporated in the risk analysis, taking into account survey instrument margin of error. Commission engineering staff shall review and approve the collision risk analysis prior to issuing an approved permit to drill, subject to the operator's right to appeal to the Director or the Commission. For the proposed well, upon conclusion of drilling operations, an as-constructed final directional survey will be submitted to the COGCC with the Form 5.
2	Drilling/Completion Operations	BBC will adhere to the COGCC Policy for Bradenhead Monitoring effective 5/29/12.

Total: 2 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2157656	OTHER
400561620	FORM 2 SUBMITTED
400561881	WELL LOCATION PLAT
400561883	DEVIATED DRILLING PLAN
400561884	DIRECTIONAL DATA
400561886	LEASE MAP
400562001	EXCEPTION LOC REQUEST
400562002	EXCEPTION LOC WAIVERS
400562178	ANTI-COLLISION WAIVER
400562195	OffsetWellEvaluations Data

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Confirmed SUA has been executed with State Land Board. Oper. will submit with form 4 at a later date. No LGD or public comments. Final Review--passed.	5/13/2014 2:50:33 PM
Permit	Oper. submitted open hole logging exception request. Oper. will run cased hole neutron log on one well on pad. Deleted logging BMP.	4/30/2014 8:25:55 AM
Permit	Confirmed spacing order. Verified surface restoration bond with TK at State Land Board.	4/15/2014 2:12:15 PM
Engineer	On Hold- Wells within 1500' of the proposed directional plan lack adequate formation isolation: bFH 170, WW's 700, PrreSS 400-650, Nbr 5950-6000 05-123-05174, MCPHERSON 1, PA(DA), No info assume no iso 05-123-05175, QUIRK 1, PA(DA), SC 133, plugs are no iso 05-123-13021, JACOBS/MGF R-1, DA, SC 154, 20 sx at 185-140, no Nbr iso 05-123-10496, ANSLEY 1, DA, SC 206, No plugging info assume no iso Emailed operator rep (mpobuda@billbarrettcorp.com)	3/13/2014 4:33:53 PM
Permit	Waiting on March hearing for spacing order. Req'd verification of surface restoration bond. Corrected dist. to nearest well permitted.	3/11/2014 12:11:36 PM
Permit	This form has passed completeness.	2/28/2014 10:40:36 AM

Total: 6 comment(s)