

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:

2361830

Date Received:

04/21/2014

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER Lateral

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☒

Well Name: SOUTHERN UTE 32-9

Well Number: 23-6H

Name of Operator: RED WILLOW PRODUCTION COMPANY

COGCC Operator Number: 81295

Address: P O BOX 369

City: IGNACIO State: CO Zip: 81137

Contact Name: ROBIN WOJCIK

Phone: (970)5635173

Fax: (970)5635161

Email: RWOJCIK@RWPC.US

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: NENE Sec: 23 Twp: 32N Rng: 9W Meridian: N

Latitude: 37.008460

Longitude: -107.788190

Footage at Surface: 665 feet FNL/FSL FNL 600 feet FEL/FWL FEL

Field Name: IGNACIO BLANCO

Field Number: 38300

Ground Elevation: 7096

County: LA PLATA

GPS Data:

Date of Measurement: 03/24/2014 PDOP Reading: 2.0 Instrument Operator's Name: SCOTT WELBE

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

Footage at Top of Prod Zone: FNL/FSL 652 FNL 1300 FEL 583 FNL 70 FEL/FWL FWL
Sec: 23 Twp: 32N Rng: 9W Sec: 23 Twp: 32N Rng: 9W

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: applicant is owner

Surface damage assurance if no agreement is in place: Blanket

Surface Surety ID: 12646

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.)

NENE SECTION 23, T32N, R9W

Total Acres in Described Lease: 2225 Described Mineral Lease is: ☐ Fee ☐ State ☐ Federal ☒ Indian

Federal or State Lease # 14-20-151-54

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 600 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: 200 Feet

Above Ground Utility: 200 Feet

Railroad: 5280 Feet

Property Line: 150 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: 5280 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

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
MANCOS	MNCS			

DRILLING PROGRAM

Proposed Total Measured Depth: 12070 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 5280 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? Yes

Will oil based drilling fluids be used? Yes

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 N/A

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Other

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

OFFSITE

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	17+1/2	13+3/8	54.5	0	500	630	500	0
1ST	12+1/4	9+5/8	36	0	4150	560	4150	2200
2ND	8+3/4	7	23	0	6700	500	6700	3000
3RD	6+1/8	4+1/2	11.6	0	12069	550	12069	5700
	12+1/4	9+5/8	Stage Tool	0	2200	530	2200	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
- ☐ 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: ROBIN WOJCIK

Title: PETROLEUM ENGINEER II Date: 4/17/2014 Email: RWOJCIK@RWPC.US

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: 6/21/2014

Expiration Date: 06/20/2016

API NUMBER

05 067 09912 01

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

In honor of the SUIT national sovereignty, the COGCC will not exercise regulatory authority over S. Ute surface lands or mineral ownership for those properties located within the external boundaries of the SUIT reservation. For reporting purposes only, the COGCC engineering unit does ask for and recommend doing the following:

- 1) Provide 48 hour notice of spud via COGCC form 42
- 2) Run and submit Directional Survey from TD to kick-off point
- 3) The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the well bore complies with setback requirements in Commission orders and/or rules prior to producing the well.
- 4) Run Cement Bond Log on 4 1/2" OD casing.
- 5) In the event of borehole problems that require drilling a sidetrack do the following:
 - Within 24 hours of occurrence and during normal business hours (8AM-5PM)
 - Contact, discuss, & receive approval from COGCC Regional Engineer – Mark Weems
 - Do not delay drilling w/o approval from COGCC Regional Engineer – Mark Weems

970-259-4587 off
970-749-0624 cell
mark.weems@state.co.us

Best Management Practices

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

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
1857429	OFFSET WELL EVALUATION-COGCC
2090413	CONST. LAYOUT DRAWINGS
2090414	OFFSET WELL EVALUATION
2090415	LOCATION PICTURES
2090416	LEGAL/LEASE DESCRIPTION
2090417	LOCATION DRAWING
2361830	FORM 2 SUBMITTED
2361831	FED. SUNDRY NOTICE
2361833	LEGAL/LEASE DESCRIPTION
2361834	DEVIATED DRILLING PLAN
2361835	DEVIATED DRILLING PLAN
2361836	WELLBORE DIAGRAM
2361837	BOP SCHEMATIC
2361838	SURFACE PLAN
2361839	ACCESS ROAD MAP

Total Attach: 15 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	6/19/2014 7:21:21 AM
Permit	This permit is the lateral of a pilot/lateral drilling plan and this permit should have a sidetrack designation in the API number. Approval of this permit must follow the approval of the pilot in order that the wellbores have the correct sidetrack designation.	6/19/2014 7:19:50 AM
Engineer	See attachments for OFFSET WELL EVALUATIONS-COGCC for information regarding water wells within a one (1) mile radius of the surface location and two (2) more evaluations of offsetting gas wells within 1500' of the lateral.	5/9/2014 4:56:45 PM
Permit	This lateral permit approval is on hold until pilot permit is ready to be approved. Waiting on pilot hole permit.	5/2/2014 12:15:04 PM
Engineer	The operator plans to drill a vertical pilot hole, plug back and then drill the lateral.	5/1/2014 4:08:23 PM
Permit	Operator revised field name, distance to another well completed in same formation. Mud has both a salt and oil concentration. Directional completed based upon information sent. (per operator)	4/24/2014 2:08:47 PM
Permit	Sent back to draft. Under Well Location, it appears that the field name/number is Ignacio Blanco (38300) which does not match what is provided. Under spacing and formations, the distance from Completed Portion of wellbore to nearest wellbore Permitted or Completed in the same formation is blank. In attachments, no imported Directional Drilling data has been attached. In drilling and waste plans, the question "if oil based drilling fluids will be used" has not been answered and no BOP type has been selected.	4/22/2014 3:54:05 PM

Total: 7 comment(s)