

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:

400635520

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER UNPLANNED

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☒

Date Received:

06/30/2014

Well Name: SHARP

Well Number: 24-3-11HC

Name of Operator: WARD PETROLEUM CORPORATION

COGCC Operator Number: 10359

Address: PO BOX 1187

City: ENID State: OK Zip: 73702

Contact Name: Paul Gottlob

Phone: (720)420-5747

Fax: ()

Email: paul.gottlob@iptenergyservices.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20100221

WELL LOCATION INFORMATION

QtrQtr: SWSW Sec: 24 Twp: 1S Rng: 67W Meridian: 6

Latitude: 39.944030

Longitude: -104.846050

Footage at Surface: 250 feet FNL/FSL FSL 190 feet FEL/FWL FWL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 5019

County: ADAMS

GPS Data:

Date of Measurement: 10/15/2013 PDOP Reading: 1.2 Instrument Operator's Name: Rob Daley

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

Footage at Top of Prod Zone: FNL/FSL 462 FSL 833 FWL 460 FNL 880 FWL
Sec: 24 Twp: 1S Rng: 67W Sec: 24 Twp: 1S Rng: 67W

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.)

Lease description in well file.

Total Acres in Described Lease: 246 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: 600 Feet
Building Unit: 596 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 239 Feet
Above Ground Utility: 200 Feet
Railroad: 1825 Feet
Property Line: 190 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: 11/13/2013

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 885 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: W/2 Sec. 24-T1S-R67W. 320 Acres.

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		320	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 12507 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 885 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: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Other

Other Disposal Description:

The drill cuttings will be disposed of offsite and land farmed.

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	13+1/2	9+5/8	36	0	1235	586	1235	0
1ST	8+3/4	7	23	0	8243	819	8243	3000
1ST LINER	6+1/8	4+1/2	11.6	7206	12507			

☒ 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	<p>CORRESPONDENCE</p> <p>WARD PETROLEUM – SHARP 24-3-11HC – API# 05-001-09801</p> <p>Saturday 6/28/14 Ed Pilcher called the Eastern Supervisor, Diana Burn with COGCC and notified her of the need to Sidetrack the well due to being out of the Codell far enough that an open hole sidetrack would be beneficial to get back in the Codell. Verbal approval was given via the phone call by Diana Burn.</p> <p>Diana emailed Ed Pilcher the “UNPLANNED Sidetrack While Drilling: Approval and Reporting Process STATEWIDE (except for the San Juan Basin)”.</p> <p>Ed Pilcher answered via email the questions in UNPLANNED Sidetrack for Operator 1.b.:</p> <p>(I) Explanation of the situation that resulted in the need to sidetrack: While drilling the lateral we got out of the Codell far enough that we decided that it would be worthwhile to come back up the hole & sidetrack to get back in the Codell.</p> <p>(II) Total measured depth reached in the wellbore being plugged back: 10239'</p> <p>(III) Casing Set: 9 5/8" set at MD 1235' KB, 7" set at MD 8243' KB.</p> <p>(IV) Description of fish in the hole (if any) – include top and bottom measured depths: No fish left in hole.</p> <p>(V) Description of proposed plugs: setting measured depths, heights, and cement volumes: No plugs set - this will be an open-hole sidetrack.</p> <p>(VI) Type of cement to be used for all plugs, including slurry weight (ppg) and yield (cf/sk): N/A</p> <p>(VII) Measured depth of proposed sidetrack kick off point: 8638' MD.</p> <p>(VIII) Proposed objective formation(s) for sidetrack hole – new or same as the wellbore being abandoned: Codell - same as bore being abandoned.</p> <p>(IX) BHL target for sidetrack hole – new or same as the wellbore being abandoned (NOTE: a change in the BHL must be reviewed and approved by COGCC Permitting prior to completing the sidetrack. Drilling a sidetrack to an unapproved BHL could result in an NOAV, plugging the well, or both).: BHL will remain the same as originally permitted – Target depth 7778'</p> <p>TVD for sidetrack.</p>
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This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 436062

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: Paul Gottlob

Title: Regulatory & Engin. Tech. Date: 6/30/2014 Email: paul.gottlob@iptenergyservices

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: 6/30/2014

Expiration Date: 06/29/2016

API NUMBER

05 001 09801 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

	Operator shall comply with Buffer Zone Move-In, Rig-Up Notice Policy dated 12-16-2013.
	Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire well bore 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 Drilling Completion Report - Form 5 for every well on the pad shall identify which well was logged.

Best Management Practices

No BMP/COA Type

Description

1	Planning	Guy Line Anchors: Per the SUA, Ward will remove all guy line anchors for drilling and completions within 30 days upon termination of oil and gas operations by Ward.
2	Planning	Developement from existing well pads: Developement from existing well pads was not an option for this well. However, this well pad will be considered for future well locations.
3	Planning	Site Specific Measures: Ward will maintain a Stormwater Management Plan with site specific measurements to assess erosion control.
4	Planning	Multiwell Pads: In order to reduce surface disturbance, Ward is permitting the associated 2A for five (5) wells.
5	Traffic control	Traffic Plan: A traffic plan will be done of required by Adams County.
6	Traffic control	Access Roads: Ward will utilize Highway and County roads as well as the agreed upon access road to the surface location per the SUA. Any required county permits will be obtained prior to use.
7	General Housekeeping	Removal of Surface Trash& Well Site Cleared : Per the SUA, Ward agrees that all trash, refuse pipe, equipment, liquids, chemicals & other materials that are not necessary for the continued operations of the well will be removed and disposed of no later than 30 days after completion. No such items will be burned or buried on location.
8	General Housekeeping	Loadlines: All loadlines shall be bullplugged or capped.
9	Material Handling and Spill Prevention	Leak Detection Plan: To ensure protection of the Surface durong fraturing treatment, the location will be specifically constructed to contain any releases or spills. Secondary containment from any chemical spills or leaks will surround any trucks that carry, mix, or add chemicals to the flow stream as well as connections that could possibly leak fluid. Should any spill or release occur, every reasonable step will be taken to quickly remediate the area disturbed.
10	Material Handling and Spill Prevention	Control of Fire Hazards: Ward and its contractor's employ best management practices during the drilling and productions of its wells and facilities: They will comply with appropriate COGCC and any county rules concerning fire and safety. Ward will ensure that any flammable material will remain no less than 25 feet from the wellhead (s), tanks and separator(s).
11	Construction	Berm Construction: A containment berm will be constructed around the oil and water storage tanks. The berm will be inspected regularly and maintained in good condition.
12	Construction	Fencing: Per the SUA, during drilling operations the well sites and any pits shall be fenced off as required by the Owner.
13	Noise mitigation	Noise: No noise mitigation will be required for this location.
14	Drilling/Completion Operations	Closed Loop System: Closed Loop System will be used for drilling and fluid management. No reserve pit will be used.
15	Drilling/Completion Operations	Green Completions: Ward will comply with COGCC Rule 805b.(3)A and utilize Green Completions Methods.

16	Drilling/Completion Operations	BOPE Testing: Upon initial rig-up and once every 30 days during drilling operations, pressure testing of the casing string and each component of the BOPE will be performed to 70% of working pressure or 70% of the internal yield of the casing, whichever is less.
17	Drilling/Completion Operations	BOPE for well servicing operations: Adequate blowout prevention equipment will be used on any servicing operations associated with this well. Backup staving valves shall be required on well servicing operations during reverse circulation. Valves will be pressure tested before each well servicing operation using both low-pressure and high-pressure fluid.
18	Drilling/Completion Operations	BOPE: Ward will utilize drilling rigs with a minimum of a double ram and annular preventer.
19	Drilling/Completion Operations	Drill Stem Tests: Drill Stem Tests are not anticipated for this location.
20	Drilling/Completion Operations	Tank specifications: Tanks shall be constructed and maintained in accordance with the National Fire Protection Association Code 30 (2008 version). All tanks will be visually inspected once a day for issues. Recorded inspections will be conducted once a month pursuant to 40 CFR &112.
21	Drilling/Completion Operations	Pit Level Indicators: Pit Level Indicators will not be needed as not pits will be used on location.
22	Final Reclamation	Identification of Plugged and Abandonment Wells: Pursuant to Rule 319.a.(5)., once the well has been plugged and abandoned, Ward will identify the location of the wellbore with a permanent monument that will detail the well name and date of plugging.

Total: 22 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>
400635520	FORM 2 SUBMITTED
400635691	CORRESPONDENCE
400636626	WELLBORE DIAGRAM

Total Attach: 3 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review--passed.	6/30/2014 6:40:42 PM
Permit	Waived LGD and public comment periods. Checked no well within 1500'.	6/30/2014 3:31:07 PM
Permit	This form has passed completeness.	6/30/2014 3:19:55 PM

Total: 3 comment(s)