

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:  
400595826

APPLICATION FOR PERMIT TO:

Drill       Deepen       Re-enter       Recomplete and Operate

Date Received:  
05/19/2014

TYPE OF WELL OIL  GAS  COALBED  OTHER \_\_\_\_\_  
ZONE TYPE SINGLE ZONE  MULTIPLE ZONES  COMMINGLE ZONES

Refiling   
Sidetrack

Well Name: FEDERAL Well Number: BCU 341-36-199  
Name of Operator: WPX ENERGY ROCKY MOUNTAIN LLC COGCC Operator Number: 96850  
Address: 1001 17TH STREET - SUITE #1200  
City: DENVER State: CO Zip: 80202  
Contact Name: ANGELA NEIFERT-KRAISER Phone: (303)606-4398 Fax: (303)629-8268  
Email: ANGELA.NEIFERT-KRAISER@WPXENERGY.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: \_\_\_\_\_

WELL LOCATION INFORMATION

QtrQtr: LOT 12 Sec: 36 Twp: 1N Rng: 99W Meridian: 6  
Latitude: 40.015315 Longitude: -108.447357

Footage at Surface: 1428 feet FNL/FSL FNL 1092 feet FEL/FWL FEL

Field Name: SULPHUR CREEK Field Number: 80090  
Ground Elevation: 6869 County: RIO BLANCO

GPS Data:  
Date of Measurement: 01/13/2014 PDOP Reading: 2.4 Instrument Operator's Name: J KIRKPATRICK

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

Footage at Top of Prod Zone: FNL/FSL FNL 661 FEL FEL/FWL FEL 661 FEL  
822 FNL 661 FEL 822 FNL 661 FEL  
Sec: 36 Twp: 1N Rng: 99W Sec: 36 Twp: 1N Rng: 99W

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.)

T1N R99W

SEC. 35: LOTS 5 (40.06 NE/4NE/4), 6 (40.04 NW/4NE/4), 7 (39.81 NE/4NW/4), 8 (39.83 NW/4NW/4), 9 (39.86 SW/4NW/4), 10 (39.84 SE/4NW/4), 11 (39.96 SW/4NE/4), 12 (39.98 SE/4NE/4), 13 (39.91 NE/4SE/4), 14 (39.85 NW/4SE/4), 15 (39.81 NE/4SW/4), 16 (39.91 NW/4SW/4), 17 (29.48 SW/4SW/4), 18 (29.32 SE/4SW/4), 19 (29.04 SW/4SE/4), 20 (28.77 SE/4SE/4) [ALL]  
 SEC. 36: LOTS 5 (40.22 NE/4NE/4), 6 (40.23 NW/4NE/4), 7 (40.11 NE/4NW/4), 8 (40.09 NW/4NW/4), 9 (40.12 SW/4NW/4), 10 (40.14 SE/4NW/4), 11 (40.19 SW/4NE/4), LOT 12 (40.18, SE/4NE/4) [N/2NE/4]

Total Acres in Described Lease: 916 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # COC60846

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 661 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: 1483 Feet

Above Ground Utility: 5280 Feet

Railroad: 5280 Feet

Property Line: 5280 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: 630 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 4094 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): BARCUS CREEK Unit Number: COC70700X

**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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| ILES                   | ILES           |                         |                               |                                      |
| WILLIAMS FORK          | WMFK           |                         |                               |                                      |

**DRILLING PROGRAM**

Proposed Total Measured Depth: 10307 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 630 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: Recycle/reuse

Cuttings Disposal: ONSITE Cuttings Disposal Method: Other

Other Disposal Description:

Spent drilling fluids are treated with a de-watering unit. Separated mud solids are disposed with the drill cuttings at a well pad location, or at an approved disposal trench. Separated water is re-used for drilling, or disposed at a permitted inj. well.

Beneficial reuse or land application plan submitted? No

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 |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| CONDUCTOR   | 30           | 18             | 48    | 0             | 80            | 30        | 80      | 0       |
| SURF        | 14+3/4       | 9+5/8          | 36    | 0             | 1621          | 1264      | 1621    | 0       |
| 1ST         | 8+3/4        | 4+1/2          | 11.6  | 0             | 10307         | 992       | 10307   | 6025    |

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

There have been no changes to the well other than adding the new setback and cultural data now required for the form 2. There have been no changes to the well other than adding the new setback and cultural data information now required for the form 2. There have been no changes to the location, there have been no changes on land use, lease description, There will be no additional surface disturbance The location does not require a variance from any of the rules listed in Rule 306.d.(1).(A).(ii). – The location is not within a wildlife Restricted Surface Occupancy Area.

\*SEE cogcc COMMENTS

This application is in a Comprehensive Drilling Plan \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: 430488

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: ANGELA NEIFERT-KRAISER

Title: REGULATORY SPECIALIST Date: 5/19/2014 Email: ANGELA.NEIFERT-

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: *Matthew Lee* Director of COGCC Date: 7/23/2014

Expiration Date: 07/22/2016

API NUMBER

05 103 11948 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>(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED. SEE ATTACHED NOTICE.</p> <p>(2) PROVIDE CEMENT COVERAGE FROM THE PRODUCTION CASING (4+1/2" FIRST STRING) SHOE TO A MINIMUM OF 200 FEET ABOVE ALL MESAVERDE GROUP (AND OHIO CREEK, IF PRESENT) OIL, GAS, AND WATER-BEARING SANDSTONE AND COALBED FORMATIONS. VERIFY PRODUCTION CASING CEMENT COVERAGE WITH A CEMENT BOND LOG.</p> |
|  | <p>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.</p>                        |

## Best Management Practices

| No | BMP/COA Type                   | Description   |
|----|--------------------------------|---|
| 1  | Planning                       | <p>Share/consolidate corridors for pipeline ROWs to the maximum extent possible. Maximize the utility of surface facilities by developing multiple wells from a single pad (directional drilling), and by co-locating multipurpose facilities (for example, well pads and compressors) to avoid unnecessary habitat fragmentation and disturbance of additional geographic areas.</p> <p>Minimize newly planned activities and operations within 300 feet of the ordinary high water mark of any reservoir, lake, wetland, or natural perennial or seasonally flowing stream or river.</p> <p>Locate roads outside of drainages where possible and outside of riparian habitat.</p> <p>Avoid constructing any road segment in the channel of an intermittent or perennial stream</p> <p>Avoid new surface disturbance and placing new facilities in key wildlife habitats in consultation with CDOW.</p> <p>Use existing roads where possible</p> <p>Combine utility infrastructure (gas, electric, and water) planning with roadway planning to avoid separate utility corridors</p> <p>Combine and share roads to minimize habitat fragmentation</p> <p>Where possible, consolidate pipeline and existing roadways, or roadways that are planned for development</p> <p>Place roads to avoid obstructions to migratory routes for wildlife, and to avoid displacement of wildlife from public to private lands.</p> <p>Design roads with visual and auditory buffers or screens (e.g., topographic barriers, vegetation, and distance).</p> <p>Maximize the use of directional drilling to minimize habitat loss/fragmentation</p> <p>Maximize use of remote telemetry for well monitoring to minimize traffic</p> <p>Restrict oil and gas activities as practical during critical seasonal periods</p> |
| 2  | Construction                   | <p>Structures for perennial or intermittent stream channel crossings should be constructed using appropriately sized bridges or culverts</p> <p>Design road crossings of streams to allow fish passage at all flows and to minimize the generation of sediment.</p> <p>Design road crossings of streams at right angles to all riparian corridors and streams to minimize the area of disturbance to the extent possible.</p>   |
| 3  | Drilling/Completion Operations | <p>Install and maintain adequate measures to exclude all types of wildlife (e.g., big game, birds, and small rodents) from all fluid pits (e.g., fencing, netting, and other appropriate exclusion measures).</p>   |
| 4  | Interim Reclamation            | <p>Remove well pad and road surface materials that are incompatible with post-production land use and re-vegetation requirements</p> <p>Use only certified weed-free native seed in seed mixes, except for non-native plants that benefit wildlife</p> <p>WPX Energy will use certified, weed free grass hay, straw, hay or other mulch materials used for the reseeding and reclamation of disturbed areas.</p> <p>Install exclusionary devices to prevent bird and other wildlife access to equipment stacks, vents and openings.</p> <p>Reduce visits to well-sites through remote monitoring (i.e. SCADA) and the use of multi-function contractors.</p> <p>Avoid dust suppression activities within 300 feet of the ordinary high water mark of any reservoir, lake, wetland, or natural perennial or seasonally flowing stream or river where possible.</p>   |

Total: 4 comment(s)

## Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

### Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u>            |
|--------------------|------------------------|
| 400595826          | FORM 2 SUBMITTED       |
| 400597204          | DIRECTIONAL DATA       |
| 400597209          | DEVIATED DRILLING PLAN |
| 400597212          | WELL LOCATION PLAT     |
| 400597215          | ACCESS ROAD MAP        |

Total Attach: 5 Files

### General Comments

| <u>User Group</u> | <u>Comment</u>  | <u>Comment Date</u>     |
|-------------------|---|-------------------------|
| Permit            | Two producers on this existing pad.   | 7/23/2014<br>1:57:07 PM |
| Permit            | Final review completed on this refile. No LGD comments.   | 7/23/2014<br>1:55:34 PM |
| Engineer          | Operator submit tab indicates "no changes" except cultural setbacks, etc. However, the surface casing Depth is considerably different than the previous APD, and a previously-permitted objective formation is NOT listed on this APD (Sego).   | 5/22/2014<br>3:56:12 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 ONLY WATER WELL WITHIN 1-MILE SHOWS A DEPTH OF 00 FEET DEEP (NO PERMITTED WATER WELLS WITHIN ONE MILE).<br><br>Evaluated existing offset wells within 1,500 feet of this wellbore. No mitigation required. | 5/22/2014<br>3:52:48 PM |
| Permit            | Passed completeness   | 5/19/2014<br>4:36:02 PM |

Total: 5 comment(s)