

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:

400595791

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refiling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Date Received:

04/29/2014

Well Name: Loomis

Well Number: 2-6H

Name of Operator: RED HAWK PETROLEUM LLC

COGCC Operator Number: 10503

Address: 4125 BLACKHAWK PLAZA CIRCLE SUITE 201A

City: DANVILLE State: CA Zip: 94506

Contact Name: Angie Galvan

Phone: (281)716-5730

Fax: (281)815-2882

Email: Angie.Galvan@stxra.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20140027

WELL LOCATION INFORMATION

QtrQtr: SESW Sec: 2 Twp: 7N Rng: 60W Meridian: 6

Latitude: 40.597740

Longitude: -104.062420

Footage at Surface: 250 feet FNL/FSL FSL 1866 feet FEL/FWL FWL

Field Name: WILDCAT

Field Number: 99999

Ground Elevation: 4946.8

County: WELD

GPS Data:

Date of Measurement: 04/16/2014 PDOP Reading: 1.3 Instrument Operator's Name: Eric Purcell

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

Footage at Top of Prod Zone: FNL/FSL FSL 300 FSL 2354 FWL 300 FNL 2365 FWL
Sec: 2 Twp: 7N Rng: 60W Sec: 2 Twp: 7N Rng: 60W

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: 20140026

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.)

Lots 1-4, S2N2, S2 of Section 2 T7N-R60W 6th PM, Weld County, CO

Total Acres in Described Lease: 639 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: 300 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 3640 Feet

Building Unit: 3640 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 1530 Feet

Above Ground Utility: 1600 Feet

Railroad: 5280 Feet

Property Line: 250 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: 530 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 300 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Docket 1406-UP-145 submitted for June Hearing.
Docket 1407-SP-2099 submitted for July Hearing.

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	535-526	1280	S. 2 & 11: ALL

DRILLING PROGRAM

Proposed Total Measured Depth: 11441 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 530 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 609

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

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	1400	800	1400	0
1ST	8+3/4	7	23	0	6500	650	6500	
1ST LINER	6+1/8	4+1/2	11.6	6300	11441			

☒ 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 An application for increased density has been submitted and is on the docket for June 16, 2014

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

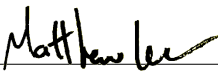
I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Angie Galvan

Title: Regulatory Analyst Date: 4/29/2014 Email: Angie.Galvan@stxra.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: 7/30/2014

Expiration Date: 07/29/2016

API NUMBER

05 123 39929 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

	<ol style="list-style-type: none">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.
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Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Storm Water/Erosion Control	Material handling and spill prevention procedures and practices will be followed to help prohibit discharges to surface waters. Internal storm water inspections will be conducted per applicable stormwater regulations. Any excessive precipitation accumulation within containment should be removed as appropriate and disposed of properly. Implement appropriate erosion control devices where necessary to minimize erosion of the access road and pad.
2	Material Handling and Spill Prevention	Operator will ensure 110 percent secondary containment for any volume of fluids contained at the well site during drilling and completion. Operator will implement best practices to contain any unintentional release of fluids.
3	Construction	The location will be fenced and the fenced area will include the fresh water containment. Fresh water for the fresh water storage comes from a water provider, water sources permitted for consumable industrial use.
4	Drilling/Completion Operations	Drill cuttings will either be hauled to an approved spread field or waste disposal facility. Drilling fluids will be contained and hauled to an approved waste disposal facility. Flowback and stimulation fluids will be sent to tanks and/or filters to allow the sand to settle out before the fluids are hauled to a state approved disposal facility. Diking, berms, ditches and other forms of containment and diversions will be utilized around tanks, frac tanks, liquids, and/or well pad.
5	Drilling/Completion Operations	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.

Total: 5 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400595791	FORM 2 SUBMITTED
400595798	DIRECTIONAL DATA
400595799	WELL LOCATION PLAT
400595800	DEVIATED DRILLING PLAN
400596503	OffsetWellEvaluations Data
400597954	WAIVERS

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Oper. withdrew request for variance. Added spacing order approved at July Hearing to allow 300' unit setbacks. Oper. corrected dist. to nearest well permitted & penetrated. No LGD or public comments. Final Review--passed.	7/30/2014 7:29:32 AM
Permit	Rec'd wellbore integrity contact. Exc. req. ltr. missing. Waivers not signed. Need corrected dist. to nearest well permitted & penetrated.	5/19/2014 3:56:22 PM
Engineer	Evaluated any existing wells within 1500' of proposed directional.	5/7/2014 1:44:53 PM
Permit	Passed completeness. Filled in Surface Surety ID as per operator's request.	5/1/2014 3:39:01 PM
Permit	Returned to draft per operator's request	4/30/2014 9:41:32 AM

Total: 5 comment(s)