

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Date Received:
05/08/2014

TYPE OF WELL OIL GAS COALBED OTHER _____

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refiling
Sidetrack

Well Name: Strait Bottom Ranch SG Well Number: 723-14-23-HN1

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: Reed Haddock Phone: (303)606-4086 Fax: (303)629-8268

Email: reed.haddock@wpxenergy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: NENW Sec: 23 Twp: 7S Rng: 96W Meridian: 6

Latitude: 39.427335 Longitude: -108.081533

Footage at Surface: 1131 feet FNL/FSL FNL 1529 feet FEL/FWL FWL

Field Name: GRAND VALLEY Field Number: 31290

Ground Elevation: 5135 County: GARFIELD

GPS Data:
Date of Measurement: 03/17/2011 PDOP Reading: 2.7 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 FEL/FWL Bottom Hole: FNL/FSL FEL/FWL

307 FNL 808 FWL 185 FSL 1003 FWL

Sec: 23 Twp: 7S Rng: 96W Sec: 23 Twp: 7S Rng: 96W

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 attached.

Total Acres in Described Lease: 797 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # COC49513

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 2497 Feet

Building Unit: 2836 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 716 Feet

Above Ground Utility: 1101 Feet

Railroad: 1864 Feet

Property Line: 188 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: 1346 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 307 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

This is an exploratory drilling and spacing unit comprised of 2,605.97 acres.

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	547-10	2606	All, 22, 23, 26, 27

DRILLING PROGRAM

Proposed Total Measured Depth: 14762 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 720 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: Recycle/reuse

Cuttings Disposal: ONSITE Cuttings Disposal Method: Cuttings trench

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
CONDUCTOR	24	20	52.78#	0	80	30	80	0
SURF	17+1/2	13+3/8	68#	0	1804	681	1804	0
1ST	12+1/4	9+5/8	53.5#	0	8639	1083	8639	3200
S.C. 1.1	12+1/4	9+5/8	53.5#	0	3200	537	3200	804
2ND	8+1/2	5+1/2	23#	0	14762	730	14762	7639

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 pad has previously been built.

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 334601

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: Reed Haddock

Title: Regulatory Specialist Sta Date: 5/8/2014 Email: reed.haddock@wpenergy.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
05 045 22486 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.

<u>COA Type</u>	<u>Description</u>
	<p>(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED. SEE ATTACHED NOTICE.</p> <p>(2) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE GARFIELD COUNTY RULISON FIELD NOTICE TO OPERATORS IS REQUIRED, WITH THE FOLLOWING EXCEPTION: ALL FIELD NOTICE REQUIREMENTS SPECIFIED IN THIS NOTICE TO OPERATORS ARE SUPERSEDED BY THE REQUIREMENTS OF THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY (SEE CONDITION OF APPROVAL #1). SEE ATTACHED NOTICE.</p> <p>(3) CEMENT ON PRODUCTION CASING AND INTERMEDIATE CASING MUST BE A MINIMUM OF 200' ABOVE THE TOP OF THE MESA VERDE FORMATION (OR 200' ABOVE THE OHIO CREEK FORMATION IF PRESENT). CEMENT TOP VERIFICATION BY CBL IS REQUIRED.</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.
	There is a previously-completed horizontal well within the 1500' evaluation area (API 045-21931, Bosely SG 702-23-HN1). Please monitor the bradenhead (and other casing annulus) pressures of this well while completions are ongoing at the new well.

Best Management Practices

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

Applicable Policies and Notices to Operators

Piceance Rulison Field - Notice to Operators.
NW Colorado Notification Policy.
Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400599846	FORM 2 SUBMITTED
400602720	WELL LOCATION PLAT
400602722	TOPO MAP
400602725	SURFACE AGRMT/SURETY
400603017	LEGAL/LEASE DESCRIPTION
400604222	OffsetWellEvaluations Data
400604673	DEVIATED DRILLING PLAN
400604676	DIRECTIONAL DATA

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected distance to unit boundary and nearest well. Final review completed. No LGD comments.	7/29/2014 12:58:24 PM
Permit	Spacing order changes submitted by operator reflecting approval of July hearings.	7/29/2014 12:57:48 PM
Permit	The APD has been waiting for the passing of an amended spacing order. The spacing order was approved in July hearing. Waiting on wording to verify the footages for TOP and BHL. The drilling and spacing unit must be the four sections or this is not a legal location.	7/29/2014 10:50:37 AM
Permit	Requested clarification on spacing order in regards to distance to the unit boundary. Spacing order 510-59 requires the treated interval to be no closer than 600' from unit boundary. Operator replied that a request for altering that Order be change to no closer than 300' from unit boundary, but the docket (1404-SP-2055) was continued to July hearing. Operator requests approval of this APD by July 23rd.	7/9/2014 6:02:12 AM
Engineer	<p>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 DEEPEST WATER WELL WITHIN 1-MILE IS 160 FEET DEEP.</p> <p>Evaluated existing offset wells within 1,500 feet of this wellbore. No mitigation required, except to monitor bradenhead and other casing-annulus pressures on API 045-21931.</p> <p>operator notes 45 wells in "offset well evaluation" area. COGCC counts 56 (+/-).</p>	5/13/2014 3:04:08 PM
Permit	Passed completeness	5/8/2014 2:09:13 PM

Total: 6 comment(s)