

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:

400587479

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER _____

Refiling ☒

Date Received:

04/10/2014

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Ezra

Well Number: 3

Name of Operator: SOUTHWESTERN ENERGY VENTURES COMPANY LLC

COGCC Operator Number: 10328

Address: PO BOX 1056

City: BAYFIELD

State: CO

Zip: 81122

Contact Name: Tyson Foutz

Phone: (505)3206275

Fax: (970)4031129

Email: tyson@foutzconsulting.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: sesw Sec: 4 Twp: 9S Rng: 104W Meridian: 6

Latitude: 39.300120

Longitude: -109.005610

Footage at Surface: 1226 feet FNL/FSL FSL 2286 feet FEL/FWL FWL

Field Name: BAR X

Field Number: 5470

Ground Elevation: 5079

County: MESA

GPS Data:

Date of Measurement: 05/04/2010 PDOP Reading: 2.0 Instrument Operator's Name: David Alexander Johnson

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

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

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.)

S4, T9S, R104W
S5, T9S, R104W

Total Acres in Described Lease: 1856 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC65155

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 1226 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: 1550 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: 2900 Feet

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

Federal or State Unit Name (if appl): Brushy Basin Unit Number: COC074791X

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.)
MORRISON	MRSN			

DRILLING PROGRAM

Proposed Total Measured Depth: 3050 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 29 Feet (Including plugged wells)

Will a closed-loop drilling system be used? No

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 N/A

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: ONSITE Drilling Fluids Disposal Methods: Evaporation

Cuttings Disposal: ONSITE Cuttings Disposal Method: Drilling pit

Other Disposal Description:

Well will be air drilled. If significant water is encountered or used, onsite evaporation will be utilized.

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	17	13+3/8	48	0	40		40	0
SURF	11	8+5/8	24	0	340	164	340	0
1ST	7+7/8	5+1/2	15.5	0	3050	522	3050	1400

☐ 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 BLM APD extension is being concurrently submitted. Sundry for well design changes is being concurrently submitted.
There have been no changes to the location.
I certify that there have been no changes on land use, lease description.
The pad has been built.
The pit has not been constructed and will be built on the existing location with input from the drilling contractor to ensure safety and containment of drilled solids and fluids.
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.

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

Location ID: 423251

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: Tyson Foutz

Title: Consultant Date: 4/10/2014 Email: tyson@foutzconsulting.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: 8/16/2014

Expiration Date: 08/15/2016

API NUMBER

05 077 10157 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

	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.
	1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED. SEE ATTACHED NOTICE. 2) CEMENT ON PRODUCTION CASING MUST BE A MINIMUM OF 200' ABOVE THE TOP OF THE FRONTIER SANDSTONE FORMATION. CEMENT TOP VERIFICATION BY CBL IS REQUIRED. 3) Operator acknowledges the proximity of the offset well GOVT-FEHR #4 (05-077-60002). Operator agrees to mitigate the situation during the hydraulic stimulation of this well. Operator will monitor the surface location of the offset well during hydraulic stimulation. Operator will cease hydraulic stimulation and contact COGCC engineering staff if any indication of communication with the offset well is observed.

Best Management Practices

No BMP/COA Type

Description

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Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num

Name

1792974	MAP
400587479	FORM 2 SUBMITTED
400587509	LEGAL/LEASE DESCRIPTION

Total Attach: 3 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Engineer	Well file from BLM received 7/31/2014. Approval pending offset well mitigation proposal from operator. Operator agreed to provide offset well mitigation option #4 on 8/13/2014. Form passed.	7/31/2014 10:47:03 AM
Permit	Final review completed on this refile. No LGD comments.	5/29/2014 7:22:30 AM
Permit	The distance to the nearest permitted or existing wellbore penetrating the objective formation says 29'. Due to the 1958 date of this well there is limited information concerning it, and it is 29' from this proposed wellbore. The pad has been built.	5/29/2014 7:01:54 AM
Permit	Operator supplied refile statements and the distance to the nearest permitted or existing wellbore is being re-evaluated by our GIS for possible misspot of 1954 well.	5/1/2014 10:30:14 AM
Permit	Requested refile statements and correct distance to the nearest permitted or existing wellbore in the same formation.	5/1/2014 5:56:45 AM
Engineer	THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THERE ARE NO WATER WELLS LOCATED WITHIN A 1-MILE RADIUS. Changed proposed TMD from 3100 to 3050 to match casing tab. Form on hold. Attempting to locate information about nearby (29') well 077-60002. BLM and IHS have limited information. Well TD was 2510' and BLM reports it was plugged back after drilling. Emailed operator 7/7/14 regarding what anti-collision procedures will be used. 7/28/14: operator and BLM have no available additional information regarding offset well 077-60002. Operator considering mitigation options and will respond. BLM may have archived information, estimate 1 month to retrieve. Hold form until archived information is received.	4/14/2014 10:57:22 AM
Permit	Operator made corrections. This form has passed completeness.	4/11/2014 10:45:54 AM
Permit	Returned to draft. Missing Location ID. Drilling Fluids Disposal and method not filled in.	4/11/2014 9:04:44 AM

Total: 8 comment(s)