

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:
400677242

APPLICATION FOR PERMIT TO:

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

Date Received:
09/03/2014

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☒

Well Name: Nelson Farms Well Number: 1
Name of Operator: EXTRACTION OIL & GAS LLC COGCC Operator Number: 10459
Address: 1888 SHERMAN ST #200
City: DENVER State: CO Zip: 80203
Contact Name: Dustin Dyk Phone: (720)6706073 Fax: ()
Email: ddyk@extractionog.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: NWNW Sec: 28 Twp: 7N Rng: 67W Meridian: 6
Latitude: 40.550609 Longitude: -104.906389

Footage at Surface: 704 feet FNL/FSL FNL 409 feet FEL/FWL FWL

Field Name: WATTENBERG Field Number: 90750

Ground Elevation: 4975 County: WELD

GPS Data:

Date of Measurement: 04/25/2014 PDOP Reading: 1.7 Instrument Operator's Name: Alan Hnizdo

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

Footage at Top of Prod Zone: FNL/FSL FNL 460 feet FEL/FWL FNL 2554 feet
Bottom Hole: FNL/FSL FNL 13 feet FEL/FWL FNL 2554 feet
Sec: 28 Twp: 7N Rng: 67W Sec: 27 Twp: 7N 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.)

Township 7 North, Range 67 West, 6th P.M.

Section 28: Part of the Northwest Quarter (NW/4) in Section 28, Township 7 North, Range 67 West, Estimated to contain 101.8 acres more or less.

Total Acres in Described Lease: 102 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: _____ Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 578 Feet

Building Unit: 578 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 390 Feet

Above Ground Utility: 345 Feet

Railroad: 5280 Feet

Property Line: 450 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: 05/13/2014

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 225 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 409 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Distance from completed portion of wellbore to nearest wellbore permitted or completed in the same formation is the Ranchero 14-22 API #01-123-35689
Codell: PSU is S2S2 sec 21 N2N2 sec 28, and SWSW, SESW, SWSE of sec 22, NWNW, NENW, NWNE of sec 27.

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CODLL	CODL		560	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 14742 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 225 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:

Cuttings will be disposed of by land spreading.

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	24+0/0	16+0/0	42	0	80	100	80	0
SURF	13+1/2	9+5/8	36	0	816	423	816	0
1ST	8+3/4	7	26	0	7547	900	7547	0
1ST LINER	6+1/8	4+1/2	13.5	7450	14742			

☐ 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

The Operator proposes to sidetrack the Nelson Farms 1 well in Section 28, T7N R67W, in weld county, colorado, as follows:

SHL: 704' FNL 409' FWL - Falls outside a legal GWA Drilling Window

Top of Production: 0' FNL, 460' FWL

BHL: 13' FNL 2554' FWL - Falls outside a legal GWA Drilling Window

This well is being sidetracked due to kicking off in the wrong direction and not being able to be recovered in time. There will be 2- 500' 17.5 ppg cement plugs set with the top at 6200' and will be used to side track at approximately 6400'. Planned top of production zone and planned BHL remain unchanged from the original permit.

Operator intends to drill the well to the Codell formation at 14,742' MD and 7175' TVD.

Letter to the Director for COGCC Rule 318A.m. Minimum intrawell distance is not necessary for this well location, no wells lie within 150' of the proposed horizontal lateral of the proposed well.

Letter to the Director for COGCC Rule 318A.a. Exception Location Request, attached as Exception Loc Request

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

Location ID: _____

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: Dustin Dyk

Title: Drilling Manager Date: 9/3/2014 Email: ddyk@extractionog.com

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: _____

Expiration Date: _____

API NUMBER

05 123 39961 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.

Best Management Practices

No BMP/COA Type

Description

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400677242	FORM 2 SUBMITTED
400678893	FORM 2 SUBMITTED
400679054	WELLBORE DIAGRAM
400679058	FORM 2 SUBMITTED
400679087	CORRESPONDENCE

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	The SHL, TOPZ, and BHL have not changed. Required wellbore and pdf of verbal approval are not attached. Sending back to draft.	3/4/2014 7:22:14 AM
Permit	Cultural setbacks have been left blank Acreage and unit configuration left blank Drilling and waste tab incomplete No attachments	3/3/2014 3:12:10 PM

Total: 2 comment(s)