

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:

400591335

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER Horizontal

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Date Received:

06/18/2014

Well Name: Mutual

Well Number: 01-17H

Name of Operator: EE3 LLC

COGCC Operator Number: 10450

Address: 4410 ARAPAHOE AVENUE #100

City: BOULDER State: CO Zip: 80303

Contact Name: Kimberly Rodell Phone: (303)942-0506 Fax: ()

Email: krodell@upstreampm.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20130007

WELL LOCATION INFORMATION

QtrQtr: NWNW Sec: 17 Twp: 7N Rng: 80W Meridian: 6

Latitude: 40.584031

Longitude: -106.405317

Footage at Surface: 267 feet FNL/FSL FNL 501 feet FEL/FWL FWL

Field Name: WILDCAT Field Number: 99999

Ground Elevation: 8153 County: JACKSON

GPS Data:

Date of Measurement: 02/03/2014 PDOP Reading: 1.8 Instrument Operator's Name: Loren K. Shanks

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

Footage at Top of Prod Zone: FNL/FSL FNL 599 FEL 625 FSL 625 FEL 625
Sec: 18 Twp: 7N Rng: 80W Sec: 18 Twp: 7N Rng: 80W

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: No

The right to construct the Oil and Gas Location is granted by: Surface Use Agreement

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.)

Please see attached.

Total Acres in Described Lease: 2948 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: 600 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 2560 Feet

Building Unit: 2605 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 4300 Feet

Above Ground Utility: 234 Feet

Railroad: 4270 Feet

Property Line: 501 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: 1870 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): _____ Unit Number: _____

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.)
NIOBRARA	NBRR	531-7	617	617.38

DRILLING PROGRAM

Proposed Total Measured Depth: 11634 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 605 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:

Cuttings will be remediated with Eco-Sponge.

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	900	1400	0
1ST	8+3/4	5+1/2	17	0	11634	1900	11634	0

☒ 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 well falls in the North Park Horizontal Niborara Field; Field Code: 60120. The e-forms system will not allow this field as the name is too long. COGCC has been contacted twice for this issue which at the time of the submittal has not been resolved.

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

Location ID: 324757

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: Kimberly Rodell

Title: Permit Agent Date: 6/18/2014 Email: krodell@upstreampm.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: 9/12/2014
Expiration Date: 09/11/2016

API NUMBER

05 057 06534 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

	1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED. SEE ATTACHED NOTICE. 2) CEMENT ON PRODUCTION CASING (5 1/2" FIRST STRING) MUST EXTEND INTO THE SURFACE CASING (MINIMUM 200' LAP ABOVE SURFACE CASING SHOE) TO PROVIDE FULL ISOLATION OF THE COALMONT FORMATION. VERIFY PRODUCTION CASING CEMENT COVERAGE WITH A CBL.
	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.

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

<u>Att Doc Num</u>	<u>Name</u>
400591335	FORM 2 SUBMITTED
400628355	DEVIATED DRILLING PLAN
400628356	LEGAL/LEASE DESCRIPTION
400628357	SURFACE AGRMT/SURETY
400628359	WELL LOCATION PLAT
400628383	DIRECTIONAL DATA
400634418	DRILLING PLAN

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Received and attached WMP for 2A. Final review complete.	3/8/2014 2:29:36 PM
Permit	Changed Permitting task back to active pending waste management plan on 2A.	8/25/2014 9:56:03 AM
Permit	Formation code of Wildcat is correct. When the well is completed and produces the form 5 and 5A will correct the field code. Added cuttings comments as per 2A. Final review complete.	8/7/2014 10:48:04 AM
Engineer	<p>Evaluated existing offset wells within 1500 ft of the planned wellbore. Added DA vertical well EVANS 7-80 #17-1 (API#057-06439) that meets standards and had a TD of 3860'. No mitigation required. Deviated drilling plan includes anti-collision report.</p> <p>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. THE DEEPEST WATER WELL WITHIN 1 MILE IS 101 FEET DEEP.</p> <p>THE PROPOSED SURFACE CASING SETTING DEPTH OF 1400 FEET WILL NOT PROVIDE FULL COVERAGE OF THE COALMONT FORMATION, AS INDICATED IN THE ATTACHED DRILLING PLAN.</p> <p>Permit casing tab shows proposed TOC on production (5 1/2" first string) casing at 0', but the attached drilling plan states TOC will be at least 200' above Midcoal formation, which is not acceptable. Minimum cement coverage requirements for the production casing are specified in Condition of Approval #2.</p>	7/8/2014 9:21:11 AM
Permit	Passed completeness. All proposed TDs match.	6/27/2014 10:10:35 AM
Permit	Return to draft. Total Depths still not matching: Proposed Total Measured Depth: 12746 Casing Total Depth: 12500 Directional Data: 11634 Deviated Drilling Plan: 11634	6/27/2014 8:04:47 AM
Permit	Return to draft. Proposed TD, Casing TD, TD in Directional data, and TD in Deviated drilling plan do not match each other.	6/19/2014 10:57:31 AM

Total: 7 comment(s)