

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:  
400641981

APPLICATION FOR PERMIT TO:

Drill       Deepen       Re-enter       Recomplete and Operate

TYPE OF WELL    OIL     GAS     COALBED     OTHER UIC  
ZONE TYPE      SINGLE ZONE     MULTIPLE ZONES     COMMINGLE ZONES

Refiling   
Sidetrack

Date Received:  
08/11/2014

Well Name: SWD Grover      Well Number: C-9  
Name of Operator: NGL WATER SOLUTIONS DJ LLC      COGCC Operator Number: 10373  
Address: 3773 CHERRY CRK NORTH DR #1000  
City: DENVER      State: CO      Zip: 80209  
Contact Name: Paul Gottlob      Phone: (720)420-5747      Fax: ( )  
Email: paul.gottlob@iptenergyservices.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20110128

WELL LOCATION INFORMATION

QtrQtr: SWNW      Sec: 13      Twp: 10N      Rng: 61W      Meridian: 6  
Latitude: 40.835970      Longitude: -104.160350

Footage at Surface: 1987 feet      FNL/FSL FNL 992 feet      FEL/FWL FWL

Field Name: WILDCAT      Field Number: 99999

Ground Elevation: 5058      County: WELD

GPS Data:  
Date of Measurement: 06/20/2014      PDOP Reading: 2.4      Instrument Operator's Name: Brian Brinkman

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: No

The right to construct the Oil and Gas Location is granted by: applicant is owner

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.)

There is no lease because there are no minerals applicable to the wellbore.  
Applicant has a current Lease with the Option to Purchase the Surface with Grassland Water Solutions, LLC - attached.  
SWNW Sec13-T10N-61W

Total Acres in Described Lease: \_\_\_\_\_ 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: 1474 Feet
- Building Unit: 2426 Feet
- High Occupancy Building Unit: 5280 Feet
- Designated Outside Activity Area: 5280 Feet
- Public Road: 983 Feet
- Above Ground Utility: 958 Feet
- Railroad: 5280 Feet
- Property Line: 358 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: 5280 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 992 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.)

**DRILLING PROGRAM**

Proposed Total Measured Depth: 10200 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 5280 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	13+1/2	9+5/8	36	0	750	225	750	0
1ST	8+3/4	7	26	0	8453	181	8453	7050
1ST LINER	6+1/8	4+1/2	11.6	8353	10200			
	8+3/4	7	Stage Tool	0	7050	755	7050	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

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: Paul Gottlob

Title: Regulatory & Engin. Tech. Date: 8/11/2014 Email: paul.gottlob@iptenergyservices

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: *Matthew Lee* Director of COGCC Date: 9/14/2014

Expiration Date: 09/13/2016

**API NUMBER**  
05 123 40194 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

<u>COA Type</u>	<u>Description</u>
	<ol style="list-style-type: none"><li>1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.</li><li>2) Comply with Rule 317.i and provide cement coverage from end of 7" casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.</li></ol>
	<ol style="list-style-type: none"><li>1. Daily drilling reports are required.</li><li>2. A Mudlog is required containing at least the following information:<ol style="list-style-type: none"><li>a. Rate of Penetration Log and</li><li>b. Location of any drilling breaks or zones of lost circulation.</li></ol></li><li>3. A static water level taken after perforation in cased wells and prior to any stimulation in either cased or open-hole wells.</li><li>4. Retrieve water sample(s) from injection zone(s) before stimulating formation, Step Rate Test, or Injectivity Test.</li><li>5. A Transient Injectivity Test is required to determine the Maximum Daily Injection Rate in barrels per day (bbls/day).</li><li>6. A Transient Injectivity Test or a Step Rate Test is required to determine the Maximum Injection Pressure in pounds per square inch (psi).</li><li>7. Prior approval of Form 4 is required for Step Rate and Injectivity Tests.</li><li>8. Operators are required to install a seismometer at a location to be determined by the operator and COGCC from which seismic activity in the vicinity of the injection well can be monitored. The operator will be responsible for maintenance of the seismometer. Data gathered by the seismometer will be made available to one or more third parties (such as the USGS, CU-Boulder, CSM, or CSU) for analysis.</li><li>9. Injection is not authorized until approval of Forms 31 and 33.</li></ol>

## Best Management Practices

No	BMP/COA Type	Description
1	Planning	Logging – A resistivity log, run from the bottom of the surface casing to total depth of the disposal well or wells or any well within one (1) mile together with a log from that well that can be correlated with the injection well. If the disposal well is to be drilled, a description of the typical stratigraphic level of the disposal formation in the disposal well or wells, and any other available logging or testing data, on the disposal well or wells will be supplied.
2	Material Handling and Spill Prevention	Load-lines. All load-lines shall be bull-plugged or capped.
3	Drilling/Completion Operations	Green Completions – Emission Control Systems. Test separators and associated flow lines and sand traps shall be installed on-site to accommodate Green completions techniques pursuant to COGCC Rules. In the anticipated absence of a viable gas sales line, the flow-back gas shall be thermally oxidized in an emissions control device (ECD), which will be installed and kept in operable condition for least the first 90-days of production pursuant to CDPHE rules. This ECD shall have an adequate capacity for 1.5 times the largest flow-back within a 10 mile radius, will be flanged to route gas to other or permanent oxidizing equipment and shall be provided with the equipment needed to maintain combustion where non-combustible gases are present.
4	Drilling/Completion Operations	Blowout preventer equipment (“BOPE”). A double ram and annular preventer will be used during drilling. At least the drilling company shall have a valid well blowout prevention certification. Stabbing valves shall be installed in the event of reverse circulation and shall be prior tested with low and high pressure fluid.
5	Drilling/Completion Operations	Drill stem tests. Not applicable; no Drill Stem tests are planned.
6	Drilling/Completion Operations	Well will be logged with an open hole logging tool with gamma ray. A CBL will be run on all production casing or, in the case of a production liner, the intermediate casing, when these casing strings are run.
7	Drilling/Completion Operations	Control of fire hazards. All materials which are considered fire hazards shall be a minimum of 25’ from the wellhead tanks or separators. Electrical equipment shall comply with API RP 500 and will comply with the current national electrical code. An emergency response plan has been generated for this site.
8	Drilling/Completion Operations	Guy line anchors. All guy line anchors shall be brightly marked pursuant to Rule 604.c (2)Q.
9	Final Reclamation	Well site cleared. Within 90-day subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site. Plugged and abandoned wells will be identified. P&A’d wells shall be identified pursuant to 319.a.(5).
10	Underground Injection Control	Formation Water, Mechanical Integrity, & Step Rate Tests will be done prior to approval to inject.

Total: 10 comment(s)

### Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

### Attachment Check List

Att Doc Num	Name
400641981	FORM 2 SUBMITTED
400642124	WELL LOCATION PLAT
400642693	SURFACE AGRMT/SURETY

Total Attach: 3 Files

## General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	9/3/2014 11:42:34 AM
Permit	Corrected distance to unit boundary and removed description as per opr.	9/2/2014 1:38:59 PM
UIC	Forms 31 and 33 received August 11, 2014.	8/29/2014 10:08:06 AM
Engineer	Evaluated offset wells.	8/21/2014 1:59:25 PM
Permit	Passed Completeness	8/13/2014 8:25:53 AM

Total: 5 comment(s)