

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:
400567230

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

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

Refiling
Sidetrack

Date Received:
09/04/2014

Well Name: ALICIA Well Number: 12-15H-1N
Name of Operator: MENDELL FINISTERRE II LLC COGCC Operator Number: 10474
Address: 2162 W EISENHOWER BLVD
City: LOVELAND State: CO Zip: 80537
Contact Name: Paul Gottlob Phone: (720)420-5747 Fax: ()
Email: paul.gottlob@iptenergyservices.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20130072

WELL LOCATION INFORMATION

QtrQtr: SWSE Sec: 12 Twp: 1S Rng: 68W Meridian: 6
Latitude: 39.973550 Longitude: -104.947110

Footage at Surface: 576 feet FNL/FSL FSL 1914 feet FEL/FWL FEL

Field Name: SPINDLE Field Number: 77900

Ground Elevation: 5150 County: ADAMS

GPS Data:
Date of Measurement: 08/07/2014 PDOP Reading: 1.5 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
460 FSL 2519 FEL 829 FSL 2522 FEL
Sec: 12 Twp: 1S Rng: 68W Sec: 1 Twp: 1S Rng: 68W

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: 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.)

E/2 Sec. 12-T1S-R68W

Total Acres in Described Lease: 320 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: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 650 Feet

Building Unit: 659 Feet

High Occupancy Building Unit: 1918 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 594 Feet

Above Ground Utility: 1197 Feet

Railroad: 247 Feet

Property Line: 172 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: 12/20/2013

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 328 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Proposed Spacing Unit: E/2 of W/2 & W/2 of E/2 of Sec. 12-T1S-R68W & SE/4 of SW/4 & SW/4 of SE/4 Sec. 1-T1S-R68W.

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		400	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 13863 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 229 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: 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	1250	1035	1250	0
1ST	8+3/4	7	29	0	8220	831	8220	3000
1ST LINER	6+1/8	4+1/2	13.5	8020	13863			

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 A document that waives the 30 day notification is attached to Proposed Spacing Unit Map. SUA is attached. Operator notified the Surface Owner and owners of all Building Units that a permit was being sought pursuant to COGCC Rule 305.a.(2) . The notices were sent via certified mail on 12/20/13. The certification is attached as 30 Day Notice.

1. For Spacing & Formations Tab: Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 328', Well used is the Alicia 12-15H-5N.

2. For Drilling & Waste Plans Tab: Distance to nearest permitted or existing wellbore penetrating objective formation: 229', Well used is the Alicia 12-15H-6C.

A. Closest distance to an offset well at any point along the wellbore including the surface: 15.74', Alicia 12-15H-2N – see attachment labeled as "Other".

Anti-Collision reports and analysis have been completed for all offset wells in the immediate vicinity.

All offset wells have a minimum clearance factor of at least 1.5 which is the separation distance divided by uncertainty.

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: 9/4/2014 _____ 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: 10/30/2014 _____

Expiration Date: 10/29/2016 _____

API NUMBER

05 001 09829 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) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.. 2) Comply with Rule 317.i and provide cement coverage from end of 7" casing to a minimum of 200' above Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with cement bond log. 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.
	Operator shall comply with Buffer Zone Move-In, Rig-Up Notice Policy dated 12-16-2013.

Best Management Practices

No	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Logging Open hole resistivity log with gamma ray will be run on one of the first wells drilled on this pad to describe the stratigraphy of the vertical section of the wellbore and to adequately verify the setting depth of the surface casing and aquifer coverage. 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. The Drilling Completion Report-Form 5 for every well on the pad shall identify which well was logged.
2	Drilling/Completion Operations	Braden-head Monitoring: Operator acknowledges and will comply with COGCC Policy for Braden-head Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.
3	Drilling/Completion Operations	Anti-Collision: Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed wells. The anti-collision scan may include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed well-path with its respective error of uncertainty. If current surveys do not exist for the offset wells, operators may have gyro surveys conducted to verify bottom-hole location. The proposed well may only be drilled if the anti-collision review results indicate that the risk of collision is sufficiently low as defined by the anti-collision plan, with separation factors greater than 1.5, or if the risk of collision has been mitigated through other means including shutting in wells, plugging wells, increased drilling fluid in the event of lost returns or as is appropriate for the specific situation. In the event of an increased risk of collision, that risk will be mitigated to prevent harm to people, the environment or property. For the proposed well, upon conclusion of drilling operations, an as-constructed directional survey will be submitted to the COGCC with the Form 5.

Total: 3 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2157794	SURFACE OWNER LIST/MAP
400567230	FORM 2 SUBMITTED
400574862	SURFACE AGRMT/SURETY
400667841	DIRECTIONAL DATA
400667849	DEVIATED DRILLING PLAN
400668948	WELL LOCATION PLAT
400669383	30 DAY NOTICE LETTER
400675572	PROPOSED SPACING UNIT
400675639	OffsetWellEvaluations Data
400675673	WAIVERS
400675676	WAIVERS
400678890	OTHER
400678911	OTHER

Total Attach: 13 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	10/24/2014 8:52:04 AM
Permit	Operator confirmed the objection to the PSU from Anadarko was resolved. Waivers attached. Open hole logging BMP in Operator BMP/COA section.	10/24/2014 8:49:19 AM
Permit	Oper. submitted surface owner plat.	9/12/2014 8:20:27 AM
LGD	This site is currently served by an existing access point. No new access point is approved as a result of the approval of this application. Therefore, the existing access point will be used for all access into this location. Permits will be required to move the drilling rig both into and out of this location. When the well is placed into production, a Gas and Oil Well Production Facilities permit will be required. Please contact Mr. Mark Russell at 720-523-6821 for information regarding both the Oil and Gas Rig Drilling Move Permit and the On-Site Gas and Oil Well Production Facilities permit.	9/9/2014 7:29:52 AM
Permit	Passed Completeness	9/8/2014 10:02:31 AM

Total: 5 comment(s)