

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:

400605772

Date Received:

07/23/2014

#### APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER \_\_\_\_\_

Refiling ☒

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: DENNEY STATE

Well Number: 5-36-7-45

Name of Operator: OMIMEX PETROLEUM INC

COGCC Operator Number: 66190

Address: 7950 JOHN T WHITE ROAD

City: FORT WORTH

State: TX

Zip: 76120

Contact Name: Michelle Lewis

Phone: (817)804-8902

Fax: (817)460-1381

Email: michelle\_lewis@omimexgroup.com

#### RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20080136

#### WELL LOCATION INFORMATION

QtrQtr: SWNW Sec: 36 Twp: 7N Rng: 45W Meridian: 6

Latitude: 40.535140

Longitude: -102.338550

Footage at Surface: 2502 feet FNL/FSL FNL 513 feet FEL/FWL FWL

Field Name: HOLYOKE SOUTH

Field Number: 36650

Ground Elevation: 3777

County: PHILLIPS

GPS Data:

Date of Measurement: 12/07/2013 PDOP Reading: 2.6 Instrument Operator's Name: WYATT HALL

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: Bond

Surface damage assurance if no agreement is in place: Blanket

Surface Surety ID: 20090012

## 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.)

7N-45W-Sec 36 all

Total Acres in Described Lease: 640 Described Mineral Lease is: ☐ Fee ☒ State ☐ Federal ☐ Indian

Federal or State Lease # 9266.7

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 513 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 720 Feet

Building Unit: 720 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 500 Feet

Above Ground Utility: 544 Feet

Railroad: 5280 Feet

Property Line: 168 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: 07/30/2014

## SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 1650 Feet

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

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

## SPACING & FORMATIONS COMMENTS

This drill falls under rule 318B., Yuma/Phillips special Well Location Rule

## 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			

## DRILLING PROGRAM

Proposed Total Measured Depth: 2700 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1650 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H<sub>2</sub>S 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: UIC Disposal

Cuttings Disposal: ONSITE Cuttings Disposal Method: Beneficial reuse

Other Disposal Description:

Drill cuttings disposal to be used as a beneficial reuse for maintenance of Access Road.

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
SURF	9+7/8	7+0/0	17	0	450	222	450	0
1ST	6+1/4	4+1/2	10.5	0	2700	306	2700	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 318.B
- ☐ 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	SESENTIVE AREA DESIGNATED BASIN
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This application is in a Comprehensive Drilling Plan \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: 417233

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: Michelle Lewis

Title: Lease Analyst Date: 7/23/2014 Email: michelle\_lewis@omimexgroup.

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: 10/31/2014

Expiration Date: 10/30/2016

API NUMBER

05 095 06279 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) Provide 48 hour notice prior to spud via electronic Form 42. 2) Set surface casing at least 50' into Pierre Shale for aquifer coverage, (450' minimum - as proposed without prior approval of lesser amount). 3) If completed, provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log. 4) If dry hole, set 35 sks cement 50' above Niobrara top, 35 sks cement 1/2 out, 1/2 in surface casing, 10 sks cement at top of surface casing, cut casing 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole. 5) Supply mud report showing chlorides, representative of conditions at TD, with Form 5.
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### Best Management Practices

#### No BMP/COA Type

#### Description

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### Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

### Attachment Check List

<b>Att Doc Num</b>	<b>Name</b>
2519412	EXCEPTION LOC WAIVERS
2519419	EXCEPTION LOC REQUEST
400605772	FORM 2 SUBMITTED
400649070	WELL LOCATION PLAT
400649089	30 DAY NOTICE LETTER
400658058	30 DAY NOTICE LETTER
400658072	FORM 2 SUBMITTED

Total Attach: 7 Files

### **General Comments**

<b>User Group</b>	<b>Comment</b>	<b>Comment Date</b>
Permit	Final review completed; no LGD or public comment received.	10/28/2014 1:30:05 PM
Permit	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.	10/28/2014 1:29:43 PM
Permit	Operator provided the exception request and waiver from the SLB.	10/28/2014 1:28:07 PM
Permit	Well is 169 feet from the quarter section boundary line. Rule 318.B says well must be 300' from line. Requested exception location letter and waiver.	10/24/2014 9:47:15 AM
Permit	Lease reported incorrectly. Operator revised lease description which revised setback. Distance to nearest well permitted or completed in same formation changed from 2279 to 1650. Approved by Operator.	10/24/2014 9:43:52 AM
Permit	Form 2A being re-done for revisions.	8/14/2014 10:39:35 AM
Permit	Operator revised lease description to be the whole section. (640 ac)	8/11/2014 8:27:35 AM
Permit	In compliance with the State Land Board. per T Kelly	8/11/2014 6:43:37 AM
Permit	Original form 2 expired May 2012. This permit is a refile of 095-06279. The previous approved location should not have been approved based upon Rule 318.B.	8/11/2014 6:30:39 AM
Permit	Well is 169 feet from quarter section boundary. Under Rule 318.B. The well must be 300'. Well is also 169 feet from lease line.	8/11/2014 6:27:01 AM
Permit	Passed Completeness	8/7/2014 10:35:01 AM
Permit	Return to draft: 1. Surface and Minerals, right to construct is selected as oil and gas lease when surface owner is not the mineral owner. It is also marked that the right to construct is a blanket, but no surety ID entered. Asked operator to review the right to construct. 2. Distance to building unit is less than 1000 ft, but not marked that within a buffer zone, and buffer zone notification date is blank 3. Drilling fluids and cuttings disposal section blank 4. Water well sampling rule selected as 318A when it should be 609	7/24/2014 10:16:48 AM

Total: 12 comment(s)