

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:

400722433

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Date Received:

11/03/2014

TYPE OF WELL OIL GAS COALBED OTHER UNPLANNED

Refilling

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Sidetrack

Well Name: Federal SG Well Number: 531-28
Name of Operator: WPX ENERGY ROCKY MOUNTAIN LLC COGCC Operator Number: 96850
Address: 1001 17TH STREET - SUITE #1200
City: DENVER State: CO Zip: 80202
Contact Name: Reed Haddock Phone: (303)606-4086 Fax: (303)629-8268
Email: reed.haddock@wpxenergy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: NESE Sec: 28 Twp: 7S Rng: 96W Meridian: 6

Latitude: 39.407522 Longitude: -108.107175

Footage at Surface: 2309 feet ^{FNL/FSL} FSL 522 feet ^{FEL/FWL} FEL

Field Name: GRAND VALLEY Field Number: 31290

Ground Elevation: 5121 County: GARFIELD

GPS Data:

Date of Measurement: 02/28/2011 PDOP Reading: 1.7 Instrument Operator's Name: Robert Kay

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

Footage at Top of Prod Zone: ^{FNL/FSL} 1096 ^{FEL/FWL} FNL 1893 ^{FEL} FEL Bottom Hole: ^{FNL/FSL} 1096 ^{FEL/FWL} FNL 1893 ^{FEL} FEL
Sec: 28 Twp: 7S Rng: 96W Sec: 28 Twp: 7S Rng: 96W

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.)

Total Acres in Described Lease: 1308 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # COC58673

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 348 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1497 Feet
 Building Unit: 1497 Feet
 High Occupancy Building Unit: 5280 Feet
 Designated Outside Activity Area: 5280 Feet
 Public Road: 690 Feet
 Above Ground Utility: 1327 Feet
 Railroad: 1994 Feet
 Property Line: 454 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: 348 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

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
WILLIAMS FORK	WMFK	510-20		

DRILLING PROGRAM

Proposed Total Measured Depth: 6040 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 348 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:

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
CONDUCTOR	26	18	48#	0	80	50	80	0
SURF	13+1/2	9+5/8	32.3#	0	1730	446	1730	0
1ST	8+3/4	4+1/2	11.6#	0	6040	747	6040	2652

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 Reason for sidetrack. On Nov 1, 2014, at 20:30, WPX Energy while tripping out of the hole to work a tight spot prior to running surface casing the downhole motor parted resulting in leaving part of the motor and the bit downhole. We were able to retrieve the rest of the BHA. The remaining part of the BHA was ruled problematic to fish and was left downhole. The 500' cement plug was pumped on top of the fish. All surface and bottomhole location will stay the same as per permit.

Details for unplanned sidetrack: While tripping out of the hole and reaming a tight spot prior to running surface casing the downhole motor parted. The total measured depth of the well is 1760'. The conductor was set at 64', is the only previous string in the hole. The fish consists of a PDC bit and part of a downhole motor, approximately 25'. Top of fish is at 1710'. Approximate bottom of fish is at 1735'. The cement plug is 500' long with a top of 1210', total cement volume of 88.5 bbls or 497 cubic feet. Plug cement is 17.0 ppg, 0.99 cuft/sk yield, 502 sacks total. The new KOP will be 1210' MD.

The SHL and BHL are not changing.

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

Location ID: 334978

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: Reed Haddock

Title: Regulatory Specialist Sta Date: 11/3/2014 Email: reed.haddock@wpxenergy.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: 11/4/2014

Expiration Date: 11/03/2016

API NUMBER
05 045 21952 01

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.

<u>COA Type</u>	<u>Description</u>
	<p>1)Operator shall comply with the most current revision of the Northwest Colorado Notification Policy. See attached notice.</p> <p>2)Operator shall comply with the most current revision of the Garfield County Rulison Field Notice to Operators, with the following exception: all field notice requirements specified in this notice to operators are superseded by the requirements of the most current revision of the Northwest Colorado Notification Policy (see condition of approval #1). See attached notice.</p> <p>3)Operator shall provide cement coverage from the production casing shoe (4+1/2" FIRST STRING) to a minimum of 200' above all Mesa Verde Group (and Ohio Creek Formation, if present) oil, gas, and water-bearing sandstone and coalbed formations. Verify production casing cement coverage with a cement bond log.</p>

Best Management Practices

No	BMP/COA Type	Description
1	Planning	WPX will run triple-combo open hole logs from well TD up to base of surface casing on one of the first wells drilled on a multi-well pad. Remaining wells on the pad will be logged with either cased hole pulsed neutron or triple-combo open hole. Every well will also have a CBL log from well TD up through well surface. Form 5 Completion Reports will identify wells on the pad with triple-combo open hole logs.

Total: 1 comment(s)

Applicable Policies and Notices to Operators

Piceance Rulison Field - Notice to Operators.
NW Colorado Notification Policy.
Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400722433	FORM 2 SUBMITTED
400722480	DEVIATED DRILLING PLAN
400722691	CORRESPONDENCE
400722692	WELLBORE DIAGRAM
400722693	DEVIATED DRILLING PLAN
400722747	DIRECTIONAL DATA

Total Attach: 6 Files

General Comments

User Group	Comment	Comment Date
Permit	Final review complete.	11/3/2014 3:29:54 PM
Engineer	The proposed surface casing is more than 50' below the depth of the deepest water well within 1-mile of the surface location when corrected for elevation differences. The deepest water well within 1-mile of the surface location is 250 feet deep. Evaluated existing offset wells within 1,500 feet of this wellbore. Offset wells target the MVRD formation. No mitigation required. Check box for Garfield Mesa BHTA NTO was checked. Unchecked box, well is not within the test area.	11/3/2014 3:20:11 PM
Permit	Ready to pass.	11/3/2014 2:45:21 PM
Permit	Form passes completeness.	11/3/2014 1:16:31 PM
Permit	Back to draft for the following: A wellbore diagram including all casing & plugs & KOP. The deviated drilling plan (you had this but the data sheet is missing) Then the Engineers email converted to a PDF and attached.	11/3/2014 10:46:54 AM
Permit	Back to draft at opr request to correct lat/longs.	11/3/2014 10:21:40 AM

Total: 6 comment(s)