

APPLICATION FOR PERMIT TO:

Drill

 Deepen

 Re-enter

 Recomplete and Operate

TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____	Refiling <input type="checkbox"/>
ZONE TYPE SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input type="checkbox"/>

Date Received:
08/05/2014

Well Name: <u>Huggard RWF</u>	Well Number: <u>334-35</u>
Name of Operator: <u>WPX ENERGY ROCKY MOUNTAIN LLC</u>	COGCC Operator Number: <u>96850</u>
Address: <u>1001 17TH STREET - SUITE #1200</u>	
City: <u>DENVER</u>	State: <u>CO</u>
	Zip: <u>80202</u>
Contact Name: <u>Reed Haddock</u>	Phone: <u>(303)606-4086</u>
	Fax: <u>(303)629-8268</u>
Email: <u>reed.haddock@wpxenergy.com</u>	

RECLAMATION FINANCIAL ASSURANCE
 Plugging and Abandonment Bond Surety ID: 20030107

WELL LOCATION INFORMATION

QtrQtr: NWSE Sec: 35 Twp: 6S Rng: 94W Meridian: 6
 Latitude: 39.478874 Longitude: -107.853673

Footage at Surface: <u>1542</u> feet	<small>FNL/FSL</small> <u>FSL</u> <u>2168</u> feet	<small>FEL/FWL</small> <u>FEL</u>
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Field Name: RULISON Field Number: 75400
 Ground Elevation: 5836 County: GARFIELD

GPS Data:
 Date of Measurement: 01/14/2014 PDOP Reading: 1.8 Instrument Operator's Name: J. Kirkpatrick

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

Footage at Top of Prod Zone: <small>FNL/FSL</small>	<small>FEL/FWL</small>	Bottom Hole: <small>FNL/FSL</small>	<small>FEL/FWL</small>
<u>176</u> <u>FSL</u> <u>1809</u> <u>FEL</u>	<u>176</u> <u>FSL</u> <u>1809</u> <u>FEL</u>	<u>176</u> <u>FSL</u> <u>1809</u> <u>FEL</u>	<u>176</u> <u>FSL</u> <u>1809</u> <u>FEL</u>
Sec: <u>35</u> Twp: <u>6S</u> Rng: <u>94W</u>	Sec: <u>35</u> Twp: <u>6S</u> Rng: <u>94W</u>	Sec: <u>35</u> Twp: <u>6S</u> Rng: <u>94W</u>	Sec: <u>35</u> Twp: <u>6S</u> Rng: <u>94W</u>

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.)

Lease attached. The total acres in the lease is not listed. The mineral description is: E1/2 SW1/4 AND THE W1/2 SE1/4 of Section 35, T6S, R94W, 6th P.M.

Total Acres in Described Lease: 160 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: 176 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1485 Feet
 Building Unit: 1620 Feet
 High Occupancy Building Unit: 5280 Feet
 Designated Outside Activity Area: 5280 Feet
 Public Road: 1843 Feet
 Above Ground Utility: 1855 Feet
 Railroad: 5280 Feet
 Property Line: 217 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: 302 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 176 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

CA COC059043

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	139-66	640	All

DRILLING PROGRAM

Proposed Total Measured Depth: 8186 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 302 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:

Spent drilling fluids are treated with a de-watering unit. Separated mud solids are disposed with the drill cuttings at well pad location.

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	60	25	60	0
SURF	13+1/2	9+5/8	32.3#	0	1100	291	1100	0
1ST	7+7/8	4+1/2	11.6#	0	8186	967	8186	4207

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: 323894

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: Reed Haddock

Title: Regulatory Specialist Sta Date: 8/5/2014 Email: reed.haddock@wpenergy.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: *Matthew Lee* Director of COGCC Date: 11/4/2014

Expiration Date: 11/03/2016

API NUMBER

05 045 22553 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

	<p>(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED. SEE ATTACHED NOTICE.</p> <p>(2) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE GARFIELD COUNTY RULISON FIELD NOTICE TO OPERATORS IS REQUIRED, 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) CEMENT ON PRODUCTION CASING MUST BE A MINIMUM OF 200' ABOVE THE TOP OF THE MESA VERDE FORMATION (OR 200' ABOVE THE OHIO CREEK FORMATION IF PRESENT). CEMENT TOP VERIFICATION BY CBL IS REQUIRED.</p> <p>(4) Install bradenhead pressure gauge on the offset Barrett RMV 20-35 well (05-045-07562) at least 24 hours prior to initiating a treatment on the Huggard RWF 334-35 well. Monitor the gauge at least once during every 24-hour period until 24 hours after the treatment is completed and continue to do so until the pressure stabilizes with allowance for a ten percent daily fluctuation. The bradenhead pressure gauge shall be capable of monitoring current pressure and also capable of recording the maximum pressure encountered in a 24 hour period. The gauge shall be reset between each 24 hour period. The pressures shall be recorded and saved for a period of one year. Alternate electronic measurement may be used to record the prescribed pressures.</p> <p>(5) If at any time during the Treatment or the 24-hour post-stimulation period, the bradenhead annulus pressure of the Huggard RWF 334-35 well or the Barrett RMV 20-35 well increases by more than 200 psig, the Operator shall verbally notify the Director, as soon as practicable, but no later than twenty-four (24) hours following such incident. Within fifteen (15) days after the occurrence, the Operator shall submit a Sundry Notice, Form 4, giving all details, including corrective actions taken.</p>
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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.
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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
400576216	FORM 2 SUBMITTED
400628353	WELL LOCATION PLAT
400628354	TOPO MAP
400629893	LEGAL/LEASE DESCRIPTION
400644020	DEVIATED DRILLING PLAN
400644021	DIRECTIONAL DATA
400656843	SURFACE AGRMT/SURETY

Total Attach: 7 Files

General Comments

User Group	Comment	Comment Date
Permit	COA's reviewed and corrected. Final review complete.	11/4/2014 3:25:29 PM
Final Review	COAs need to be reviewed	10/30/2014 8:12:54 PM
Permit	Final review complete.	10/28/2014 2:18:13 PM
Permit	Corrected distance to unit boundary as per opr. Ready to pass pending approval of 2A.	10/2/2014 3:20:58 PM
Permit	Requested review of the distance to the nearest unit boundary.	8/29/2014 8:37:54 AM
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 IS 250 FEET DEEP. Evaluated existing offset wells within 1,500 feet of this wellbore. No remedial mitigation required. However, bradenhead monitoring is required in one offset well, per COA #4 and COA #5.	8/11/2014 3:14:31 PM
LGD	pass, gdb	8/8/2014 11:05:01 AM
Permit	Passed Completeness	3/7/2014 3:48:05 PM

Total: 8 comment(s)