

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:

400639658

APPLICATION FOR PERMIT TO:

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

Date Received:

09/10/2014

TYPE OF WELL OIL ☐ GAS ☐ COALBED ☐ OTHER InjectionRefilling ☐ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☐

Well Name: WPX SG

Well Number: 922-32D

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: 20030107

WELL LOCATION INFORMATION

QtrQtr: SENW Sec: 32 Twp: 7S Rng: 96W Meridian: 6

Latitude: 39.393606

Longitude: -108.134840

Footage at Surface: 2401 feet FNL/FSL FNL 2198 feet FEL/FWL FWL

Field Name: GRAND VALLEY

Field Number: 31290

Ground Elevation: 5166

County: GARFIELD

GPS Data:

Date of Measurement: 07/21/2014 PDOP Reading: 2.4 Instrument Operator's Name: J. Kirkpatrick

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

 2418 FNL 2185 FWL 2418 FNL 2185 FWL
 Sec: 32 Twp: 7S Rng: 96W Sec: 32 Twp: 7S Rng: 96W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ IndianThe 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.)

Lease attached.

Total Acres in Described Lease: 74 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: 465 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 1252 Feet

Above Ground Utility: 2236 Feet

Railroad: 3292 Feet

Property Line: 877 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: 343 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.)
ILES	ILES			

DRILLING PROGRAM

Proposed Total Measured Depth: 5642 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 343 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 in onsite cuttings trench. Separated water is re-used for drilling, or disposed at a permitted injection well.

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	24	18	48#	0	45	25	45	0
SURF	13+1/2	9+5/8	32.3#	0	692	190	692	0
1ST	8+3/4	4+1/2	11.6#	0	5642	907	5642	1782

☐ 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 permit application is for an injection well.

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

Location ID: 334401

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: 9/10/2014 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:  Director of COGCC Date: 11/16/2014

Expiration Date: 11/15/2016

API NUMBER

05 045 22654 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

	<ol style="list-style-type: none">1. Daily drilling reports are required.2. A static water level taken after perforation in cased wells and prior to any stimulation in either cased or open-hole wells.3. Retrieve water sample(s) from injection zone(s) before stimulating formation, Step Rate Test, or Injectivity Test.4. A Transient Injectivity Test is required to determine the Maximum Daily Injection Rate in barrels per day (bbls/day).5. A Transient Injectivity Test or a Step Rate Test is required to determine the Maximum Injection Pressure in pounds per square inch (psi).6. Prior approval of Form 4 is required for Step Rate and Injectivity Tests.7. Injection is not authorized until approval of Forms 31 and 33.
	<ol style="list-style-type: none">1)Operator shall comply with the most current revision of the Northwest Colorado Notification Policy. See attached notice.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.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.

Best Management Practices

No	<u>BMP/COA Type</u>	<u>Description</u>
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

<u>Att Doc Num</u>	<u>Name</u>
400639658	FORM 2 SUBMITTED
400654972	TOPO MAP
400654977	WELL LOCATION PLAT
400667406	DEVIATED DRILLING PLAN
400667409	DIRECTIONAL DATA
400681967	OIL & GAS LEASE

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	11/5/2014 10:34:35 AM
Permit	Ready to pass.	10/27/2014 9:39:08 AM
Permit	Per oper. corrected objective formation to ILES. Deleted spacing order & dist. to lease line which do not apply	9/30/2014 10:03:52 AM
UIC	UIC Forms 31, 33, and 26 all submitted on September 10, 2014. Objective injection formations are Corcoran and Cozzette Members of the Iles Formation. Operator says they are not interested in the Rollins Member.	9/30/2014 9:04:09 AM
Permit	The Cozzette/Corcoran (Iles) is not covered by a spacing order therefore must be permitted under Statewide offset. Have requested operator supply the appropriate objective formations.	9/25/2014 9:43:00 AM
LGD	Pass-GDB	9/16/2014 10:18:02 AM
Engineer	Evaluated existing offset wells within 1/4 mile of this wellbore. Offset wells target the MVRD formation. Offset well 045-17916 at a distance of about 830' does not have coverage to 200' above the top of the MVRD. TOC from CBL (doc# 1620551) is 2064' and MVRD top reported is 2028'. Operator stated that injection formation is not Williams Fork, it is Cozzette/Corcoran (Iles). No mitigation of offset wells required if injection formation is Cozzette/Corcoran.	9/15/2014 11:28:00 AM
Engineer	Added review task for UIC lead. 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 95' deep and the surface elevation is about 4995' above sea level.	9/15/2014 9:47:35 AM
Permit	Passed Completeness	9/11/2014 2:25:44 PM

Total: 9 comment(s)