

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

TYPE OF WELL OIL GAS COALBED OTHER _____ Refilling

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES Sidetrack

Date Received:
11/17/2014

Well Name: ALLISON UNIT COM Well Number: 138H

Name of Operator: BURLINGTON RESOURCES OIL & GAS LP COGCC Operator Number: 26580

Address: PO BOX 4289
City: FARMINGTON State: NM Zip: 87499

Contact Name: Patsy Clugston Phone: (505)326-9518 Fax: (505)599-4062
Email: Patsy.L.Clugston@conocophillips.com

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 19920030

WELL LOCATION INFORMATION

QtrQtr: L 3 Sec: 8 Twp: 32N Rng: 6W Meridian: N
Latitude: 36.999650 Longitude: -107.481917

Footage at Surface: 176 feet FNL/FSL FNL 2615 feet FEL/FWL FWL

Field Name: IGNACIO BLANCO Field Number: 38300
Ground Elevation: 6134 County: LA PLATA

GPS Data:
Date of Measurement: 04/07/2014 PDOP Reading: 1.0 Instrument Operator's Name: MARSHALL LINDEEN

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
453 FSL 1978 FEL 675 FNL 675 FWL
Sec: 22 Twp: 32N Rng: 6W Sec: 22 Twp: 32N Rng: 6W

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: No

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.)

SW NE, Lots 2 & 3, SW/NW, Lot 4, N/2 NW, NW/NE, Sec. 22, T32N, R6W,
COM Agreement 73972 covers all the acres in the lease. Note: Farmington BLM handles this COM Agreement for this section in Colorado because the bulk of the Allison Unit is in New Mexico.

Also no Form 2A will be submitted on this well since the Surface location is in New Mexico and is covered with a Surface Owner Agreement (see as an attachment)

Total Acres in Described Lease: 335 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # COC 73972

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 675 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1500 Feet
Building Unit: 1500 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 1000 Feet
Above Ground Utility: 1200 Feet
Railroad: 5280 Feet
Property Line: 176 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: 2289 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 675 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

The APD is pending the results for the Waiver letters to offset owners which are being sent out and the final approval of the Director.

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
FRUITLAND COAL	FRLDC	112-204	335	

DRILLING PROGRAM

Proposed Total Measured Depth: 6910 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 2289 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 N/A

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:

A closed loop system will be used and the drilling fluid will be recycled to the next well unless it is unusable and then it will be hauled to a authorized Disposal Facility in NM - either the Basin Disposal or the Agua Moss Facility both in Bloomfield, NM.

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	12+1/4	9+5/8	32.3	0	500	253	500	0
2ND	8+3/5	7	23	0	3249	717	3249	0
1ST LINER	6+1/4	4+1/2	11.6	3149	6910	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 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: _____

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: Patsy Clugston _____

Title: Staff Regulatory Tech. Date: 11/17/2014 Email: Patsy.L.Clugston@conocophilli

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: _____

Expiration Date: _____

API NUMBER

05

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.

Best Management Practices

No BMP/COA Type

Description

No BMP/COA Type	Description

Attachment Check List

Att Doc Num	Name
400720386	FORM 2 SUBMITTED
400733580	WELL LOCATION PLAT
400733583	DEVIATED DRILLING PLAN
400733584	DEVIATED DRILLING PLAN
400733585	DRILLING PLAN
400737303	SURFACE AGRMT/SURETY
400737739	DIRECTIONAL DATA

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Returned to draft: Spacing for section 22 is different depending on where the well is. 112-204 does not cover the wellbore. 112-46 appears to be the order covering section 22 outside the Allison Unit where the bottom hole of this well is located. Setback to spacing unit boundary is 990'. This well is 675' from the spacing unit boundary. At the very least this is an exception location requiring waivers from mineral interest owners in section 15,16, and 21. This form is missing the directional data template upload. Surface use agreement not signed by Burlington.	11/18/2014 12:30:07 PM

Total: 1 comment(s)

