

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:

400720386

Date Received:

11/17/2014

#### 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 ☐

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 FNL/FWL Bottom Hole: FNL/FSL FNL/FWL  
453 FSL 1978 FEL 675 FNL 990 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, SENW, 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: 453 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 453 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          | 112-61                  | 335                           | W/2,W/2E/2                           |

## 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 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 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          | 6698          | 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 112-61

☐ 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

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: 1/23/2015

Expiration Date: 01/22/2017

### API NUMBER

05 067 09924 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

|  |  |
|--|--|
|  | 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.   |
|  | 1) Provide 48 hour notice via form 42<br><br>2) Run and submit Directional Survey for primary well bore and for each lateral section<br><br>3) The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the well bore complies with setback requirements in Commission orders and/or rules prior to producing the well.<br><br>4) Sample and test two closest water wells within 1/2 mile swath of lateral wellbore Fruitland Coal (horizontal dimension – top to bottom of pay).<br><br>5) Operators are required to obtain a bottom hole pressure utilizing a bottom hole gauge after a minimum 48 hour shut-in period following completion and prior to sales<br><br>6) Comply with all applicable provisions of Order 112-204<br><br>7) Borehole problems while drilling that require an additional sidetrack: Contact & discuss w/ COGCC Regional Engineer – Mark Weems within 24 hours of occurrence<br><br>970-259-4587 off<br>970-749-0624 cell<br>mark.weems@state.co.us |

## Best Management Practices

### No BMP/COA Type

### Description

|  |  |
|--|--|
|  |  |
|--|--|

## Attachment Check List

### Att Doc Num

### Name

|           |                                   |
|-----------|-----------------------------------|
| 1857526   | SELECTED ITEMS REPORT             |
| 1857527   | CORRESPONDENCE-new mexico & cogcc |
| 2519612   | WELL LOCATION PLAT                |
| 2519614   | DEVIATED DRILLING PLAN            |
| 2519615   | DEVIATED DRILLING PLAN            |
| 2519616   | DRILLING PLAN                     |
| 2519617   | EXCEPTION LOC REQUEST             |
| 400720386 | FORM 2 SUBMITTED                  |
| 400737303 | SURFACE AGRMT/SURETY              |
| 400775861 | DIRECTIONAL DATA                  |

Total Attach: 10 Files

## General Comments

| <u>User Group</u> | <u>Comment</u>   | <u>Comment Date</u>       |
|-------------------|--|---------------------------|
| Permit            | Final review completed; no LGD or public comment received.   | 1/22/2015<br>2:19:59 PM   |
| Permit            | Exception Location request letter attached to permit.  | 1/22/2015<br>10:06:12 AM  |
| Permit            | Attached new drilling plan and well location plat for new bottom hole location.  | 1/20/2015<br>10:24:55 AM  |
| Permit            | Provided Northing and easting offsets are different directional data and the deviated drilling plan.   | 1/20/2015<br>9:53:14 AM   |
| Permit            | Operator is moving bottom hole. Waiting on attachments.  | 1/6/2015 2:51:05<br>PM    |
| Engineer          | <p>The surface location of this well in in NM. Refer to the attachment entitled CORRESPONDENCE-new mexico &amp; cogcc</p> <p>The proposed gas well is located within an area where unconfined fresh water aquifers are mostly developed in bedrock formations consisting mainly of shale with intermittent sandstone stringers with limited areal extent or having pockets of isolated water reservoirs. Water wells found in these locations can vary in depth from 100' to 650'. These aquifers are commonly identified as the Animas formation. The depth of the surface casing is deemed adequate based on a review of the surrounding water wells.</p> <p>The casing in the lateral portion of the well will be a slotted liner and will not be cemented in place. These laterals will be completed naturally and will not be fracture stimulated. The Statewide HZ Offset Well Policy does not apply to horizontal wells not being fracture stimulated in the pay zone.</p> <p>For purposes of determining which water wells are to be sampled and analyzed, a plat map was prepared depicting the location of all the proposed gas well laterals and includes a 1320' envelope of investigation drawn around all the well bore trajectories (see attached SELECTED ITEMS REPORT or refer to COGIS well file API #067-09896 SELELCTED ITEMS REPORT-Offset gas wells doc #1857503). If any conventional gas wells are found encompassed by the envelope, the criteria for sampling extends from ¼ mile to ½ mile.</p> <p>There are no P&amp;A wells within a quarter (1/4) mile of this well and its lateral; so, no PA assessment is required.</p> | 12/10/2014<br>11:03:03 AM |
| Permit            | Needs exception location request letter for encroachment to section 15 and 16.   | 11/21/2014<br>7:22:35 AM  |
| Permit            | SURFACE LOCATION IS IN NEW MEXICO, 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<br>12:30:07 PM |

Total: 8 comment(s)