

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:  
400702234

APPLICATION FOR PERMIT TO:

Drill       Deepen       Re-enter       Recomplete and Operate

Date Received:  
12/18/2014

TYPE OF WELL OIL  GAS  COALBED  OTHER \_\_\_\_\_  
ZONE TYPE SINGLE ZONE  MULTIPLE ZONES  COMMINGLE ZONES

Refiling   
Sidetrack

Well Name: FEDERAL Well Number: RGU 322-36-198  
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: Angela Neifert-Kraiser Phone: (303)606-4398 Fax: ( )  
Email: Angela.Neifert-Kraiser@wpxenergy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: \_\_\_\_\_

WELL LOCATION INFORMATION

QtrQtr: SENE Sec: 36 Twp: 1S Rng: 98W Meridian: 6  
Latitude: 39.923174 Longitude: -108.337541

Footage at Surface: 1399 feet FNL/FSL FNL 1240 feet FEL/FWL FEL

Field Name: SULPHUR CREEK Field Number: 80090  
Ground Elevation: 6581.2 County: RIO BLANCO

GPS Data:  
Date of Measurement: 03/31/2014 PDOP Reading: 2.8 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  
1760 FNL 1600 FWL 1760 FNL 1600 FWL  
Sec: 36 Twp: 1S Rng: 98W Sec: 36 Twp: 1S Rng: 98W

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.)

T1S R98W  
 SEC. 34: LOTS 1(39.00, NE/4NE/4), 8 (38.92, SE/4NE/4) [E/2NE/4]  
 SEC. 35: LOTS 1(39.26, NE/4NE/4), 2 (39.26 (NW/4NE/4), 3 (38.90, NE/4NW/4), 4 (38.92, NW/4NW/4), 5 (39.06, SW/4NW/4), 6 (39.05, SE/4NW/4), 7 (39.29, SW/4NE/4), 8 (39.28, SE/4NE/4) 9 (39.35, NE/4SE/4), 10 (39.35, NW/4SE/4), 11(39.17, NE/4SW/4), 12 (39.18, NW/4SW/4), 13 (39.19, SW/4SW/4), 14( 39.18, SE/4SW/4), 15 (39.37, SW/4SE/4), 16 (39.36, SE/4SE/4) [ALL]  
 SEC. 36: LOTS 2 (39.30, NW/4NE/4), 3 (38.76, NE/4NW/4), 4 (38.72, NW/4NW/4), 5 (38.80, SW/4NW/4), 6 (38.84, SE/4NW/4), 7 (39.20, SW/4NE/4), 10(38.80, NW/4SE/4), 11(38.69, NE/4SW/4), 12( 38.84, NW/4SW/4), 13 (38.93, SW/4SW/4), 14 (38.78, SE/4SW/4), 15 (38.68, SW/SE/5) 16 (38.52, SE/4SE/4) [W/2, W/2E/2, SE/4SE/4]

Total Acres in Described Lease: 1209 Described Mineral Lease is:  Fee  State  Federal  Indian  
 Federal or State Lease # COC60735  
 Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 1760 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: 2052 Feet  
 Above Ground Utility: 978 Feet  
 Railroad: 5280 Feet  
 Property Line: 5280 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: 316 Feet  
 Distance from Completed Portion of Wellbore to Nearest Unit Boundary 1760 Feet (Enter 5280 for distance greater than 1 mile.)  
 Federal or State Unit Name (if appl): RYAN GULCH UNIT Unit Number: 068239X

**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			
SEGO	SEGO			
WILLIAMS FORK	WMFK			

**DRILLING PROGRAM**

Proposed Total Measured Depth: 12842 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 316 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 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? No

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	30	18	48	0	80	50	80	0
SURF	14+3/4	9+5/8	36	0	3952	1438	3952	0
1ST	8+3/4	4+1/2	11.6	0	12842	1318	12842	7737

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? \_\_\_\_\_ Yes \_\_\_\_\_

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: \_\_\_\_\_ Print Name: Angela Neifert-Kraiser \_\_\_\_\_

Title: Regulatory Specialist Date: 12/18/2014 Email: Angela.Neifert- \_\_\_\_\_

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: 1/24/2015

Expiration Date: 01/23/2017

### API NUMBER

05 103 12206 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

(1) Operator shall comply with the most current revision of the Northwest Notification Policy. See attached notice.

(2) 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.

## 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.
2	Planning	Use existing roads where possible * Combine and share roads to minimize habitat fragmentation * Maximize the use of directional drilling to minimize habitat loss/fragmentation * Maximize use of remote completion/frac operations to minimize traffic * Maximize use of remote telemetry for well monitoring to minimize traffic
3	Drilling/Completion Operations	Use centralized hydraulic fracturing operations. * Conduct well completions with drilling operations to limit the number of rig moves and traffic.
4	Interim Reclamation	Use only certified weed-free native seed in seed mixes, except for non-native plants that benefit wildlife * WPX Energy will use certified, weed free grass hay, straw, hay or other mulch materials used for the reseeding and reclamation of disturbed areas. * Install exclusionary devices to prevent bird and other wildlife access to equipment stacks, vents and openings. * Reduce visits to well-sites through remote monitoring (i.e. SCADA) and the use of multi-function contractors.

Total: 4 comment(s)

### Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

### Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400702234	FORM 2 SUBMITTED
400756114	DIRECTIONAL DATA
400756115	DEVIATED DRILLING PLAN
400756116	WELL LOCATION PLAT
400756117	FED. DRILLING PERMIT
400756118	ACCESS ROAD MAP

Total Attach: 6 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected distance to unit boundary from 2215' to 1760' as per opr. Final review complete.	1/23/2015 10:41:12 AM
Permit	Ready to pass pending approval of 2A.	1/6/2015 10:55:20 AM
Engineer	Evaluated offset wells within 1500 feet. No mitigation required. Offset water well check: COGCC evaluated offset water wells within one mile of this proposed well's surface hole location. The deepest water wells within one mile are 1973 feet (monitoring wells used by the soda extraction industry). The proposed surface casing setting depth is more than 50 feet below the base of the aquifer in which water wells are screened within one mile. Geologic prognosis shows the proposed surface casing covers the entire Green River formation.	12/22/2014 4:30:18 PM
Permit	Passed completeness.	12/22/2014 1:18:12 PM

Total: 4 comment(s)