

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:
400702326

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

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

Refiling
Sidetrack

Date Received:
12/17/2014

Well Name: FEDERAL Well Number: RGU 532-36-198
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: 39.923152 Longitude: -108.337506

Footage at Surface: 1407 feet FNL/FSL FNL 1230 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
2579 FNL 2066 FEL 2579 FNL 2066 FEL
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: 1210 Described Mineral Lease is: Fee State Federal IndianFederal or State Lease # COC60735Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 507 Feet**CULTURAL DISTANCE INFORMATION**

Distance to nearest:

Building: 5280 FeetBuilding Unit: 5280 FeetHigh Occupancy Building Unit: 5280 FeetDesignated Outside Activity Area: 5280 FeetPublic Road: 2045 FeetAbove Ground Utility: 985 FeetRailroad: 5280 FeetProperty 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 INFORMATIONDistance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 342 FeetDistance from Completed Portion of Wellbore to Nearest Unit Boundary 507 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: 12653 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 342 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:

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	3835	1394	3835	0
1ST	8+3/4	4+1/2	11.6	0	12653	1316	12653	7508

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: 12/17/2014 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 12207 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	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>
400702326	FORM 2 SUBMITTED
400754688	DEVIATED DRILLING PLAN
400754692	WELL LOCATION PLAT
400754694	FED. DRILLING PERMIT
400754695	ACCESS ROAD MAP
400755977	DIRECTIONAL DATA

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	1/15/2015 3:16:02 PM
Permit	Corrected distance to lease line from 790 to 507, and unit boundary from 793 to 507 as per opr. Ready to pass.	1/5/2015 3:58:07 PM
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 3:32:08 PM
Permit	Passed completeness.	12/18/2014 3:02:14 PM
Permit	Imported direction data is for Federal RGU 531-36-198; returned to draft.	12/18/2014 9:06:04 AM

Total: 5 comment(s)