

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:

400767028

Date Received:

01/08/2015

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER _____

Refiling ☒

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: OXY

Well Number: 28-19D

Name of Operator: LINN OPERATING INC

COGCC Operator Number: 10516

Address: 1999 BROADWAY SUITE 3700

City: DENVER State: CO Zip: 80202

Contact Name: Krista Wilson

Phone: (435)722-1325

Fax: (435)722-1321

Email: kwilson@linnenergy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20140058

WELL LOCATION INFORMATION

QtrQtr: SENW Sec: 28 Twp: 6S Rng: 97W Meridian: 6

Latitude: 39.495758

Longitude: -108.226228

Footage at Surface: 1999 feet FNL/FSL FNL 2229 feet FEL/FWL FWL

Field Name: GRAND VALLEY

Field Number: 31290

Ground Elevation: 8293

County: GARFIELD

GPS Data:

Date of Measurement: 08/11/2009 PDOP Reading: 3.2 Instrument Operator's Name: Robert Kay

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

1790 FNL 2043 FWL 1790 FNL 2043 FWL
Sec: 28 Twp: 6S Rng: 97W Sec: 28 Twp: 6S Rng: 97W

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: 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.)

See lease map in original file.

Total Acres in Described Lease: 5165 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: 2043 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: 5280 Feet

Above Ground Utility: 5280 Feet

Railroad: 5280 Feet

Property Line: 1371 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: 250 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 856 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| WILLIAMS FORK | WMFK | 510-18 | 320 | Sec 28 N/2 |

DRILLING PROGRAM

Proposed Total Measured Depth: 8757 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 250 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: ONSITE Drilling Fluids Disposal Methods: Recycle/reuse

Cuttings Disposal: ONSITE Cuttings Disposal Method: Other

Other Disposal Description:

See BMP cutting management

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 | 30 | 20 | 55 | 0 | 90 | 100 | 90 | 0 |
| SURF | 16 | 9+5/8 | 36 | 0 | 2300 | 1000 | 2300 | 0 |
| 1ST | 8+3/4 | 4+1/2 | 11.6 | 0 | 8757 | 600 | 5757 | |

☐ 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 I certify that there has been no changes on land use, lease description. The pad has not been built. The pit has not been constructed. The location will not require surface disturbance of the pad. The location does not require a variance from any of the rules listed in Rule 306.d.(1).(A).(ii). This location is not in a wildlife sensitive habitat area. No rig on site. The production cement top will be 200' above the top of gas. Oxy owns surface and Chevron owns minerals.

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

Location ID: 416634

Is this application being submitted with an Oil and Gas Location Assessment application? No

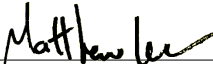
I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Krista Wilson

Title: Sr Reg. & Permitting Date: 1/8/2015 Email: kwilson@linenergy.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: 2/6/2015

Expiration Date: 02/05/2017

API NUMBER

05 045 19333 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

| | |
|--|---|
| | <p>1)Operator shall comply with the most current revision of the Northwest Colorado Notification Policy. See attached notice.</p> <p>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.</p> <p>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. Verify production casing cement coverage with a cement bond log.</p> <p>4)Comply with all provisions of the June 12, 2008 Notice to Operators drilling wells within 3/4 mile of the rim of the Roan Plateau in Garfield County – Pit Design, Construction and Monitoring Requirements. See attached notice.</p> <p>5)The nearby hillside(s) must be monitored for any daylighting drilling fluids throughout the drilling of the surface casing interval. COGCC engineering staff must be notified as soon as practicable if daylighting is observed.</p> |
|--|---|

Best Management Practices

| <u>No</u> | <u>BMP/COA Type</u> | <u>Description</u> |
|-----------|--------------------------------|--|
| 1 | Drilling/Completion Operations | Cuttings Management: During drilling, LINN will keep the drill cuttings segregated on the well pad. Cuttings will not be in contact with fill material or topsoil on location. After drilling and completion operations have been completed, soil amendments such as phosphorus and nitrogen will be utilized to expedite the amendment process (if necessary). On pads where a drilling pit is present, cuttings will be used in the backfilling of those pits. On pads where no drilling pit is present due to closed-loop drilling, amended cuttings that meet the Table 910-1 levels are spread on location with topsoil and seeded as part of reclamation activities. |
| 2 | Drilling/Completion Operations | 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. |

Total: 2 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. |
| Pit Design, Construction and Monitoring Requirements Within 3/4 mile of the Rim of the Roan Plateau. |

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|------------------|
| 400767028 | FORM 2 SUBMITTED |

Total Attach: 1 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|-----------------------|
| Permit | Final review complete. | 2/5/2015 8:06:29 AM |
| Engineer | Emailed operator regarding surface casing depth. Put form on hold pending response. Per operator, changed surface casing setting depth to 2300'. Operator to adjust cement quantity as needed. | 1/20/2015 1:35:19 PM |
| Engineer | Offset water well check: There are no permitted water wells within 1 mile of this proposed surface hole location. Evaluated existing offset wells within 1,500 feet of this wellbore. No mitigation required. | 1/15/2015 9:13:12 AM |
| Permit | Corrected distance to nearest unit boundary and added Sec 28 to unit configuration as per opr. Added comment to see documents in original file in lease comments. Added plugging bond. Ready to pass pending public comment 2/2/15. | 1/13/2015 3:09:59 PM |
| Permit | Added surety ID. Passed completeness. | 1/12/2015 12:03:59 PM |

Total: 5 comment(s)