

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____	Refiling <input type="checkbox"/>
ZONE TYPE SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONES <input checked="" type="checkbox"/> COMMINGLE ZONES <input checked="" type="checkbox"/>	Sidetrack <input type="checkbox"/>

Date Received:
01/30/2015

Well Name: FEDERAL Well Number: RGU 424-36-198

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: (303)629-8268

Email: ANGELA.NEIFERT-KRAISER@WPXENERGY.COM

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: SWNW Sec: 1 Twp: 2S Rng: 98W Meridian: 6

Latitude: 39.909017 Longitude: -108.347942

Footage at Surface: 1271 feet FNL 750 feet FWL

Field Name: SULPHUR CREEK Field Number: 80090

Ground Elevation: 6625 County: RIO BLANCO

GPS Data:
Date of Measurement: 12/03/2014 PDOP Reading: 2.5 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
<u>376</u>	<u>FSL</u>	<u>2004</u>	<u>376</u>	<u>FSL</u>	<u>2004</u>
	<u>FWL</u>			<u>FWL</u>	
Sec: <u>36</u>	Twp: <u>1S</u>	Rng: <u>98W</u>	Sec: <u>36</u>	Twp: <u>1S</u>	Rng: <u>98W</u>

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 Indian

Federal or State Lease # COC60735

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 376 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: 2969 Feet
 Above Ground Utility: 4578 Feet
 Railroad: 5280 Feet
 Property Line: 3522 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: 356 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 3090 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): RYAN GULCH UNIT Unit Number: COC68239X

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 PROGRAMProposed Total Measured Depth: 12654 FeetDistance to nearest permitted or existing wellbore penetrating objective formation: 356 Feet (Including plugged wells)Will a closed-loop drilling system be used? YesIs 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? NoWill salt based (>15,000 ppm Cl) drilling fluids be used? NoWill oil based drilling fluids be used? NoBOP 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/reuseCuttings 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	3742	1362	3742	0
1ST	8+3/4	4+1/2	11.6	0	12654	1323	12654	7549

 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: 335873

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: 1/30/2015 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:  Director of COGCC Date: 3/28/2015

Expiration Date: 03/27/2017

API NUMBER

05 103 12254 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	<ul style="list-style-type: none"> • Minimize well pad density to the extent possible
3	Construction	<ul style="list-style-type: none"> • Surface roads to ensure that the anticipated volume of traffic and the weight and speed of vehicles using the road do not cause environmental damage, including generation of fugitive dust and contribution of sediment to downstream areas. • Salvage topsoil from all road construction and other rights-of-way and re-apply during interim and final reclamation.
4	Drilling/Completion Operations	<ul style="list-style-type: none"> • Limit parking to already disturbed areas that have not yet been reclaimed
5	Interim Reclamation	<ul style="list-style-type: none"> • Install automated emergency response systems (e.g., high tank alarms, emergency shut-down systems, etc.). • Implement fugitive dust control program • Evaluate the utility of soil amendment application to achieve effective reclamation. • Use appropriately diverse reclamation seed mixes that mirror an appropriate reference area for the site being reclaimed where approved by landowner. • Seed during appropriate season to increase likelihood of reclamation success • Apply certified weed free mulch and crimp or tacify to remain in place to reclaim areas for seed preservation and moisture retention

Total: 5 comment(s)

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400634584	FORM 2 SUBMITTED
400783923	DIRECTIONAL DATA
400783924	DEVIATED DRILLING PLAN
400783925	FED. DRILLING PERMIT
400783927	WELL LOCATION PLAT
400783928	ACCESS ROAD MAP

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	3/27/2015 12:56:33 PM
Permit	Ready to pass.	2/9/2015 10:44:33 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. There are no existing water wells within one mile of the surface location. The proposed surface casing setting depth is more than 50 feet below the base of the deepest aquifer in which water wells are screened in the area. Geologic prognosis shows the proposed surface casing covers the entire Green River formation.	2/5/2015 3:59:22 PM
Permit	Per operator, corrected commingle zones dropdown from blank to "yes." Passed completeness.	2/3/2015 12:23:06 PM

Total: 4 comment(s)