

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:

400634584

## APPLICATION FOR PERMIT TO:

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

Date Received:

01/30/2015

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER \_\_\_\_\_Refilling ☐ZONE TYPE SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☒Sidetrack ☐

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/FSL FNL 750 feet FEL/FWL 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

|         |         |          |         |         |          |      |     |
|---------|---------|----------|---------|---------|----------|------|-----|
| 376     | FSL     | 2004     | FWL     | 376     | FSL      | 2004 | FWL |
| Sec: 36 | Twp: 1S | Rng: 98W | Sec: 36 | Twp: 1S | Rng: 98W |      |     |

## LOCATION SURFACE &amp; MINERALS &amp; RIGHT TO CONSTRUCT

Surface Ownership: ☐ Fee ☐ State ☒ Federal ☐ IndianThe 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 PROGRAM

Proposed Total Measured Depth: 12654 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 356 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             | 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

| <u>No</u> | <u>BMP/COA Type</u>            | <u>Description</u>  |
|-----------|--------------------------------|---|
| 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"> <li>• Minimize well pad density to the extent possible</li> </ul>  |
| 3         | Construction                   | <ul style="list-style-type: none"> <li>• 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.</li> <li>• Salvage topsoil from all road construction and other rights-of-way and re-apply during interim and final reclamation.</li> </ul>  |
| 4         | Drilling/Completion Operations | <ul style="list-style-type: none"> <li>• Limit parking to already disturbed areas that have not yet been reclaimed</li> </ul>   |
| 5         | Interim Reclamation            | <ul style="list-style-type: none"> <li>• Install automated emergency response systems (e.g., high tank alarms, emergency shut- down systems, etc.).</li> <li>• Implement fugitive dust control program</li> <li>• Evaluate the utility of soil amendment application to achieve effective reclamation.</li> <li>• Use appropriately diverse reclamation seed mixes that mirror an appropriate reference area for the site being reclaimed where approved by landowner.</li> <li>• Seed during appropriate season to increase likelihood of reclamation success</li> <li>• Apply certified weed free mulch and crimp or tacyfy to remain in place to reclaim areas for seed preservation and moisture retention</li> </ul> |

Total: 5 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>            |
|--------------------|------------------------|
| 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<br>12:56:33 PM |
| Permit            | Ready to pass.  | 2/9/2015<br>10:44:33 AM  |
| Engineer          | Evaluated offset wells within 1500 feet. No mitigation required.<br>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<br>PM   |
| Permit            | Per operator, corrected commingle zones dropdown from blank to "yes."<br>Passed completeness.   | 2/3/2015<br>12:23:06 PM  |

Total: 4 comment(s)