

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:

400794841

Date Received:

02/23/2015

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refilling ☒

ZONE TYPE SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☒

Sidetrack ☐

Well Name: FRU Federal

Well Number: 4-14

Name of Operator: ENTEK GRB LLC

COGCC Operator Number: 10323

Address: 535 16TH STREET #620

City: DENVER

State: CO

Zip: 80202

Contact Name: Andrea Gross

Phone: (303)942-0506

Fax: ()

Email: agross@upstreampm.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20090217

WELL LOCATION INFORMATION

QtrQtr: SESW Sec: 4 Twp: 11N Rng: 88W Meridian: 6

Latitude: 40.937136

Longitude: -107.271669

Footage at Surface: 614 feet FNL/FSL FSL 1735 feet FEL/FWL FWL

Field Name: WILDCAT

Field Number: 99999

Ground Elevation: 7982

County: ROUTT

GPS Data:

Date of Measurement: 07/09/2012 PDOP Reading: 1.9 Instrument Operator's Name: Dave Fehringer

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

Sec: Twp: Rng: Sec: Twp: Rng:

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.)

T11N R77W Sec. 33: S2N2, SW, SWSE; Sec. 3: Lots 5-8; Sec. 4: S2N2, S2, Lots 5-8; Sec. 10: NE, S2; Sec. 15: SE

Total Acres in Described Lease: 1806 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC59491

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 614 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: 614 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: 3294 Feet

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

Federal or State Unit Name (if appl): Focus Ranch Unit Number: COC63212X

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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| DEEP CREEK SAND | DPCK | | | |
| FRONTIER | FRTR | | | |
| NIOBRARA | NBRR | | | |

DRILLING PROGRAM

Proposed Total Measured Depth: 9150 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 3294 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: Land application

Cuttings Disposal: ONSITE Cuttings Disposal Method: Cuttings trench

Other Disposal Description:

Drill cuttings will be buried in cuttings pit when dry.

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 | 20 | 16 | | 0 | 60 | | 60 | 0 |
| SURF | 12+1/4 | 9+5/8 | 36 | 0 | 2500 | 568 | 2500 | 0 |
| 1ST | 8+3/4 | 7 | 23 | 0 | 9150 | 820 | 9150 | 1200 |

☐ 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 No information has changed since the original submission of this APD. No construction has commenced. There have been no changes to the location.

- I certify that there has been no changes on land use or lease description.
- The pad has not been built.
- There will be no additional surface disturbance beyond that described in the permitting documents.
- The location does not require a variance from any rules listed in Rule 306.d.(1).(A).(ii)
- The location is not within a wildlife Restricted Surface Occupancy Area.
- No Form 2A amendment is required.

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

Location ID: 432375

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: Andrea Gross

Title: Permit Agent Date: 2/23/2015 Email: agross@upstreampm.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: 5/3/2015

Expiration Date: 05/02/2017

API NUMBER

05 107 06255 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 (7" First String) to a minimum of 200' above the surface casing shoe to provide isolation of all Mesaverde Group oil, gas, and water-bearing sandstone and coalbed formations that are not otherwise covered by surface casing. Verify production casing cement coverage with a cement bond log.

Best Management Practices

| <u>No</u> | <u>BMP/COA Type</u> | <u>Description</u> |
|-----------|---------------------|--------------------|
| | | |

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> |
|--------------------|-------------|
|--------------------|-------------|

| | |
|-----------|------------------|
| 400794841 | FORM 2 SUBMITTED |
|-----------|------------------|

Total Attach: 1 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|-------------------------|
| Permit | Final review complete. | 4/28/2015 8:03:47 AM |
| Engineer | Offset well evaluation: There are no existing oil & gas wells within 1500 feet of this proposed wellbore. | 3/9/2015 11:55:36 AM |
| Engineer | Offset water well check: There are no permitted water wells within 1 mile of this proposed surface hole location. | 3/9/2015 11:55:19 AM |
| Engineer | The Mesaverde Group is considered a potential freshwater resource in the Sand Wash Basin (CGS Ground Water Atlas of Colorado, 2003). The proposed surface casing setting depth of 2500' will not cover the entire Mesaverde Group, based on log tops in an offset well and the operator's drilling prognosis. COGCC concurs with operator's plan to cement the 7" First String into the surface casing for full isolation of the Mesaverde Group. Minimum cement isolation requirements are specified in Condition of Approval #2. | 3/9/2015 11:54:29 AM |
| Permit | Corrected the distance to the nearest wellbore completed or penetrating to 3293' instead of 5280' as per opr.. Need clarification on refile statements. Corrected typo in e-mail address. | 2/26/2015 2:06:01 PM |
| Permit | Passed Completeness | 2/26/2015 7:51:59 AM |

Total: 6 comment(s)