

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:

400786007

Date Received:

04/02/2015

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: GM

Well Number: 704-32-9-HMB2

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: Reed Haddock

Phone: (303)606-4086

Fax: (303)629-8268

Email: reed.haddock@wpxenergy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: Lot 1 Sec: 4 Twp: 7S Rng: 96W Meridian: 6

Latitude: 39.471352

Longitude: -108.107307

Footage at Surface: 701 feet FNL/FSL FNL 916 feet FEL/FWL FEL

Field Name: GRAND VALLEY

Field Number: 31290

Ground Elevation: 5460

County: GARFIELD

GPS Data:

Date of Measurement: 10/03/2014 PDOP Reading: 2.6 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

1932 FNL 1283 FEL 1981 FNL 1646 FEL
Sec: 4 Twp: 7S Rng: 96W Sec: 9 Twp: 7S Rng: 96W

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: No

The right to construct the Oil and Gas Location is granted by: applicant is owner

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.)

Total Acres in Described Lease: 2221 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian
Federal or State Lease # COC24603
Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 601 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 2787 Feet
Building Unit: 2787 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 4160 Feet
Above Ground Utility: 1843 Feet
Railroad: 4144 Feet
Property Line: 379 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: 633 Feet
Distance from Completed Portion of Wellbore to Nearest Unit Boundary _____ Feet (Enter 5280 for distance greater than 1 mile.)
Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

Unspaced. This wellbore is 633' from the GM 743-4 drilled and permitted in same formation by WPX ENERGY. An exception location request letter is attached.

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
MANCOS	MNCS			

DRILLING PROGRAM

Proposed Total Measured Depth: 15450 Feet
Distance to nearest permitted or existing wellbore penetrating objective formation: 633 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? Yes

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: Other

Other Disposal Description:

Cuttings Management Area

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	24	20	52.7#	0	80	30	80	0
SURF	14+3/4	11+3/4	60#	0	2500	516	2500	0
1ST	9+7/8	7+5/8	42.8#	0	8800	862	8800	3400
S.C. 1.1	9+7/8	7+5/8	42.8#	0	3400	412	3400	1504
1ST LINER	6+1/8	4+1/2	15.1#	7800	15450	607	15450	7800

☐ 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 318.a
- ☐ 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

WPXENERGY request for approval as soon as application comes off public comment period.

The northern end of completion is 601' south of the NENE (Lot 1) Section 4, T7S, R96W lease line and southern end of completion is 601' north of the southern lease line boundary, Section 9, T7S, R96W.

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

Location ID: 333109

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: Reed Haddock

Title: Regulatory Specialist Sta Date: 4/2/2015 Email: reed.haddock@wpxenergy.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: 5/6/2015

Expiration Date: 05/05/2017

API NUMBER

05 045 22880 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 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 that 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.
	(3) Operator shall provide cement coverage from the intermediate casing shoe (7+5/8" 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 intermediate 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 in the vertical section of Mancos wells from KOP to base of surface casing on at least one well per pad location. CBL log will also be run from KOP up to surface. MWD/LWD logs with GR will be run for the lateral portion of the wells. Form 5 Completion Reports will identify wells with open hole logs.
2	Drilling/Completion Operations	Per Rule 317.r and 317.s, there are no wellbores within 150' of the proposed completed interval of this horizontal lateral.

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.

Attachment Check List

Att Doc Num

Name

400786007	FORM 2 SUBMITTED
400803566	OTHER
400803571	DEVIATED DRILLING PLAN
400803572	DIRECTIONAL DATA
400803575	TOPO MAP
400803579	OffsetWellEvaluations Data
400803603	OIL & GAS LEASE
400808702	FED. DRILLING PERMIT
400819334	EXCEPTION LOC REQUEST
400819957	WELL LOCATION PLAT
400820018	EXCEPTION LOC WAIVERS

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	5/5/2015 8:59:37 AM
Permit	Ready to pass.	4/27/2015 11:29:37 AM
Engineer	<p>Offset water well check: COGCC evaluated offset water wells within one mile of this proposed well's surface hole location. This information was used in addition to locally-available geophysical logs and hydrogeologic information to evaluate the adequacy of the operator's proposed surface casing setting depth. The deepest water well within one mile is 130 feet.</p> <p>Offset well evaluation provided. No mitigation required. Wells within 1,500 feet horizontally of the portion of the wellbore planned for stimulation are completed or permitted in the Mesaverde group except for one WPX vertical Niobrara well and four horizontal Niobrara-Mancos wells. Two of the wells are offset over 900'. GM 702-4-HN1 (045-22051) has a minimum horizontal separation of about 130'. This well is being plugged and abandoned and plugs for temporary abandonment as well as plugs above the Mancos are in place. GM 702RD-4-HN1 (045-22461) has a horizontal separation of 0' at one point. The well has been constructed and meets standards. The two wellbores are in the Niobrara formation about 1000' vertically below the planned lateral of this well. This well is planned in a higher bench of the Mancos. The following changes were made to the offset wellbore spreadsheet: 045-21487 changed horizontal distance from 28' (distance at ground surface) to 540' (distance at completed portion). Changed status from Junked to Gas (-01 wellbore is producing and the -00 wellbore was plugged back). 045-22051 changed horizontal distance from 1053' to 130', the distance between wellbores. TVD is 10006', not 16246'. 045-22461 changed horizontal distance from 173' to 0' (the wellbores cross in plan view). TVD is 10380, not 17000'.</p> <p>The well is planned from the same pad as GM 701-4-HN1-V that penetrates the Mancos but the landing point of this planned horizontal wellbore is more than 800' away from where the existing well penetrates the formation.</p>	4/7/2015 2:22:36 PM
Permit	Passes completeness.	4/3/2015 9:33:36 AM
Permit	<p>Returned to draft:</p> <ol style="list-style-type: none"> 1) Qtr/qtr is Lot 1. 2) TPZ footages incorrect per attached plat. 3) Attachment labeled Waivers should be labeled Exc. Location Request. 4) Exception should list Rule 318.a in text box. 	4/3/2015 8:45:56 AM

Total: 5 comment(s)