

**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 _____	Refilling <input type="checkbox"/>
ZONE TYPE	SINGLE ZONE <input checked="" type="checkbox"/>	MULTIPLE ZONES <input type="checkbox"/>	COMMINGLE ZONES <input type="checkbox"/>		Sidetrack <input type="checkbox"/>

Date Received: 04/02/2015

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:	<u>701</u> feet	FNL/FSL	<u>916</u> feet	FEL/FWL
	<u>FNL</u>		<u>FEL</u>	

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
<u>1932</u>	<u>FNL</u>	<u>1283</u>	<u>1981</u>	<u>FNL</u>	<u>1646</u>
	<u>FEL</u>			<u>FEL</u>	

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 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?     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: *Matthew Lee* 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.

<u>COA Type</u>	<u>Description</u>
	<p>(1) Operator shall comply with the most current revision of the Northwest 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 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.</p> <p>(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.</p>

## Best Management Practices

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

<u>Att Doc Num</u>	<u>Name</u>
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	Returned to draft: 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)