

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:

400812119

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 ☐

Date Received:

03/20/2015

Well Name: Federal

Well Number: 2/3-14-22

Name of Operator: COACHMAN ENERGY OPERATING COMPANY LLC

COGCC Operator Number: 10500

Address: 5251 DTC PARKWAY SUITE 200

City: GREENWOOD
VILLAGE

State: CO

Zip: 80111

Contact Name: Neyeska Mut

Phone: (303)296-3535

Fax: (303)296-3888

Email: neyeska@cynosure-energy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: swsw Sec: 22 Twp: 6s Rng: 91w Meridian: 6

Latitude: 39.507052

Longitude: -107.549034

Footage at Surface: 212 feet FNL/FSL FSL 193 feet FEL/FWL FWL

Field Name: KOKOPELLI

Field Number: 47525

Ground Elevation: 7047.4

County: GARFIELD

GPS Data:

Date of Measurement: 01/02/2015 PDOP Reading: 3.0 Instrument Operator's Name: Tim Barnett

If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL FSL 821 FSL 671 FWL 821 FSL 671 FWL
Sec: 22 Twp: 6s Rng: 91w Sec: 22 Twp: 6s Rng: 91w

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: Surface Use Agreement

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.)

Section 21: E2NE, SESW, SWSE; Section 22: SWNW, W2SW, SESW; Section 25: SWSW; Section 26: S2; all in T6S, R91W.
The Surface Use Agreement with Colorado Parks and Wildlife is already on file with COGCC as part of a previous Form 2A filing - COGCC Document #400210492. It is a very lengthy document 50+ pages for the legal portion and 1000+ pages for the entire SUA. Please contact Rick Obernolte at (303) 660-9633 for details of for an additional copy.

Total Acres in Described Lease: 680 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC-066370

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 671 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 3273 Feet
Building Unit: 5280 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 3700 Feet
Above Ground Utility: 5280 Feet
Railroad: 5280 Feet
Property Line: 671 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: 300 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

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
WILLIAMS FORK	WMFK	191-70		

DRILLING PROGRAM

Proposed Total Measured Depth: 8142 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 300 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: OFFSITE Drilling Fluids Disposal Methods: Commercial Disposal

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	20+0/0	16+0/0	41	0	85	75	85	0
SURF	13+1/2	9+5/8	36	0	1280	355	1280	0
1ST	8+3/4	4+1/2	11.6	0	8142	1485	8142	1000

☐ 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: _____

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: Rick Obernolte

Title: Agent Date: 3/20/2015 Email: rickobe1@aol.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: 5/8/2015

Expiration Date: 05/07/2017

API NUMBER

05 045 22888 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>Will contact OPR to have surface casing depth increased from 1250' to 1280'. At 1280' depth, the surface casing will be 50 feet below the depth of the deepest water-well within one mile, adjusted for elevation. There is a 340' deep water well located at an elevation of 6160' within a mile of this well.</p> <p>OPR responded 3/31: will make change (including cement amount)</p>
	<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 comply with the most current revision of the Mamm Creek 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>(4) Operator shall comply with the Notice to Operators Drilling Wells in the Buzzard, Mamm Creek, and Rulison fields, Garfield County and Mesa County – Procedures and Submittal Requirements for Compliance with COGCC Order Nos. 1-107, 139-56, 191-22, and 369-2 (July 8, 2010). See attached notice.</p> <p>(5) Operator shall provide cement coverage from the production casing shoe 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. This requirement shall supersede the top of cement requirements in the Mamm Creek Field Notice to Operators.</p> <p>(6) Surface casing depth shall be at least 1280' deep in order to be 50' below the depth of the deepest water well within one mile, adjusted for elevation differences.</p>
	corrected surface casing T O C from 700 to 0'

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	<p>One of the first wells drilled on the pad will be logged with an open-hole resistivity log with gamma-ray from TD to into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on the production casing (or intermediate casing if production casing/ liner is run). All wells on the pad will have the horizontal portion of the wellbore (if applicable) logged with a measured-while-drilling log with gamma-ray. The Form 5, Completion Report, for each well on the pad will list all logs run and have those logs attached. The Form 5 for a well without open-hole logs shall clearly state "No open-hole logs were run." On the Form 5 for a well without open-hole logs run. Logs are planned to be run on wells: Federal 2/3-16-22 (Williams Fork well) and Federal 2/3-15-22 (Mancos well).</p>

Total: 1 comment(s)

Applicable Policies and Notices to Operators

Mamm Creek Field Area Notice to Operators.

Piceance Rulison Field - Notice to Operators.

NW Colorado Notification Policy.

Bradenhead Pressure Reporting-Garfield County (Mamm Creek & Rulison Fields) Mesa County (Buzzard Field).

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400812119	FORM 2 SUBMITTED
400812132	DEVIATED DRILLING PLAN
400812133	DRILLING PLAN
400812140	WELL LOCATION PLAT
400812143	SURFACE AGRMT/SURETY
400812145	SURFACE AGRMT/SURETY
400813145	DIRECTIONAL DATA

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Removed distance to unit boundary. Order creates spacing not a unit. Removed Form 4 from Related Documents (400210492) and notified Opr. Removed extra Data Sheet Doc 400812134 and notified opr. Corrected distance to nearest wellbores from 829' to 300' as per opr. Final review complete.	4/30/2015 10:04:25 AM
Engineer	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 340 feet at an elevation of 6160'. The surface casing of the proposed well shall be increased to 1280 feet deep in order to be a minimum of 50 feet below the depth of this water well, adjusted for elevation differences. See COA #6. Evaluated existing offset oil and gas wells within 1,500 feet of this wellbore. No mitigation required.	3/31/2015 2:10:21 PM
Permit	Passed completeness.	3/30/2015 1:22:04 PM
Permit	Missing 317.p. BMP. Remove multiwell plans and access road map. Return to draft.	3/26/2015 10:13:01 AM
Permit	Directional Data .xlsm template did not upload correctly.	3/20/2015 3:37:40 PM

Total: 5 comment(s)