

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



| | | | |
|--------------------------------------|----|----|----|
| DE | ET | OE | ES |
| Document Number: 400821398 | | | |
| Date Received: 04/07/2015 | | | |

SUNDRY NOTICE

Submit a signed original. This form is to be used for general, technical and environmental sundry information. For proposed or completed operations, describe in full in Comments or provide as an attachment. Identify Well by API Number; identify Oil and Gas Location by Location ID Number; identify other Facility by Facility ID Number.

OGCC Operator Number: 10150 Contact Name Jessica Donahue
 Name of Operator: BLACK HILLS PLATEAU PRODUCTION LLC Phone: (720) 210-1333
 Address: 1515 WYNKOOP ST STE 500 Fax: (303) 566-3344
 City: DENVER State: CO Zip: 80202 Email: Jessica.Donahue@blackhillscorp.com

Complete the Attachment
Checklist

OP OGCC

API Number : 05- 045 22811 00 OGCC Facility ID Number: 440893
 Well/Facility Name: Homer Deep Unit Well/Facility Number: 7-23CH
 Location QtrQtr: NESW Section: 7 Township: 8S Range: 98W Meridian: 6
 County: GARFIELD Field Name: SOUTH SHALE RIDGE
 Federal, Indian or State Lease Number: COC067159

| | | |
|---------------------|--|--|
| Survey Plat | | |
| Directional Survey | | |
| Srvc Eqpmt Diagram | | |
| Technical Info Page | | |
| Other | | |

CHANGE OF LOCATION OR AS BUILT GPS REPORT

- Change of Location * As-Built GPS Location Report As-Built GPS Location Report with Survey

* Well location change requires new plat. A substantive surface location change may require new Form 2A.

SURFACE LOCATION GPS DATA Data must be provided for Change of Surface Location and As Built Reports.

Latitude _____ PDOP Reading _____ Date of Measurement _____
 Longitude _____ GPS Instrument Operator's Name _____

LOCATION CHANGE (all measurements in Feet)

Well will be: _____ (Vertical, Directional, Horizontal)

Change of **Surface** Footage **From** Exterior Section Lines:

Change of **Surface** Footage **To** Exterior Section Lines:

Current **Surface** Location **From** QtrQtr NESW Sec 7

New **Surface** Location **To** QtrQtr _____ Sec _____

Change of **Top of Productive Zone** Footage **From** Exterior Section Lines:

Change of **Top of Productive Zone** Footage **To** Exterior Section Lines:

Current **Top of Productive Zone** Location **From** Sec 7

New **Top of Productive Zone** Location **To** Sec _____

Change of **Bottomhole** Footage **From** Exterior Section Lines:

Change of **Bottomhole** Footage **To** Exterior Section Lines:

Current **Bottomhole** Location Sec 20 Twp 8s

New **Bottomhole** Location Sec _____ Twp _____

Is location in High Density Area? _____

Distance, in feet, to nearest building _____, public road: _____, above ground utility: _____, railroad: _____,
 _____ property line: _____, lease line: _____, well in same formation: _____

Ground Elevation _____ feet Surface owner consultation date _____

| | | | |
|---------------|------------------|-------------------|------------|
| FNL/FSL | | FEL/FWL | |
| <u>1867</u> | <u>FSL</u> | <u>2441</u> | <u>FWL</u> |
| _____ | _____ | _____ | _____ |
| Twp <u>8S</u> | Range <u>98W</u> | Meridian <u>6</u> | |
| Twp _____ | Range _____ | Meridian _____ | |
| <u>1369</u> | <u>FSL</u> | <u>1965</u> | <u>FEL</u> |
| _____ | _____ | _____ | _____ ** |
| Twp <u>8s</u> | Range <u>98w</u> | | |
| Twp _____ | Range _____ | | |
| <u>1376</u> | <u>FNL</u> | <u>2152</u> | <u>FEL</u> |
| _____ | _____ | _____ | _____ ** |

** attach deviated drilling plan

Comments:

ENGINEERING AND ENVIRONMENTAL WORK

NOTICE OF CONTINUED TEMPORARILY ABANDONED STATUS

Indicate why the well is temporarily abandoned and describe future plans for utilization in the COMMENTS box below or provide as an attachment, as required by Rule 319.b.(3).

Date well temporarily abandoned _____ Has Production Equipment been removed from site? _____

Mechanical Integrity Test (MIT) required if shut in longer than 2 years. Date of last MIT _____

SPUD DATE: _____

TECHNICAL ENGINEERING AND ENVIRONMENTAL WORK

Details of work must be described in full in the COMMENTS below or provided as an attachment.

NOTICE OF INTENT Approximate Start Date 05/01/2015

REPORT OF WORK DONE Date Work Completed _____

| | | |
|--|---|--|
| <input type="checkbox"/> Intent to Recomplete (Form 2 also required) | <input type="checkbox"/> Request to Vent or Flare | <input type="checkbox"/> E&P Waste Mangement Plan |
| <input checked="" type="checkbox"/> Change Drilling Plan | <input type="checkbox"/> Repair Well | <input type="checkbox"/> Beneficial Reuse of E&P Waste |
| <input type="checkbox"/> Gross Interval Change | <input type="checkbox"/> Rule 502 variance requested. Must provide detailed info regarding request. | |
| <input type="checkbox"/> Other _____ | <input type="checkbox"/> Status Update/Change of Remediation Plans for Spills and Releases | |

COMMENTS:

Black Hills Plateau Production respectfully requets permission to use oil-based mud during the drilling of the curve and lateral portion of this well, after setting surface and intermediate casing with freshwater mud. The oil based mud with clay stabilizers will create hole stability through the wellbore?s curve allowing for single string completion. The best practices listed on the attached will be used for surface management of the fluid. Cuttings generated while using the oil based mud will be temporarily stored on location using cuttings boxes before being transported to a commercial solid waste disposal facility.

CASING AND CEMENTING CHANGES

| Casing Type | Size | Of | / | Hole | Size | Of | / | Casing | Wt/Ft | Csg/LinTop | Setting Depth | Sacks of Cement | Cement Bottom | Cement Top |
|-------------|------|----|---|------|------|----|---|--------|-------|------------|---------------|-----------------|---------------|------------|
| | | | | | | | | | | | | | | |

H2S REPORTING

Data Fields in this section are intended to document Sample and Location Data associated with the collection of a Gas Sample that is submitted for Laboratory Analysis.

Gas Analysis Report must be attached.

H2S Concentration: _____ in ppm (parts per million) Date of Measurement or Sample Collection _____

Description of Sample Point:

Absolute Open Flow Potential _____ in CFPD (cubic feet per day)

Description of Release Potential and Duration (If flow is not open to the atmosphere, identify the duration in which the container or pipeline would likely be opened for servicing operations.):

Distance to nearest occupied residence, school, church, park, school bus stop, place of business, or other areas where the public could reasonably be expected to frequent: _____

Distance to nearest Federal, State, County, or municipal road or highway owned and principally maintained for public use: _____

COMMENTS:

Best Management Practices

| No | BMP/COA Type | Description |
|----|--------------------------------|---|
| 1 | Drilling/Completion Operations | <p>Black Hills Plateau Production will be using an oil based mud to drill the curve and lateral portions of the Homer Deep Unit 7-23AH, 7-23BH, 7-23CH, and 7-23DH wells after setting and cementing intermediate casing. The oil based mud with clay stabilizers will create hole stability through the wellbore's curve allowing for single string completion. The best practices listed below will be used for surface management of the fluid. Cuttings generated while using the oil based mud will be temporarily stored on location using cuttings boxes before being transported to the commercial solid waste disposal facility listed below:</p> <p>Greenleaf Environmental Services 15655 45 ½ Road De Beque, CO 81630</p> |
| 2 | Drilling/Completion Operations | <p>Black Hills Oil Based Mud Best Practices:</p> <ol style="list-style-type: none"> 1. Regularly scheduled safety meeting with rig and vendor staff to discuss operations around OBM, proper handling of the product and necessary PPE. 2. 36 mil fused (repairable) liner under entire rig, mud tanks and ancillary equipment. 3. 36 mil fused (repairable) liner under OBM tank farm and transfer pump. Berms placed around perimeter. 4. A Katch Kan Zero Spill System or equivalent will be utilized under the sub-structure so that if anything is spilled on connections it can be easily transferred back into the system and cleaned up with floor dry. 5. All transfer hoses will be checked to insure that the cam-lock couplings have gaskets prior to connect. 6. Mud hoses shall be new or like new with hydraulically crimped-on hose ends. King nipples or hose clamps shall not be used. 7. Mud tanks will remain stationary through the course of drilling operations. Only the main substructure of the rig needs to be moved. Repairs will be made to the rig liner as necessary. 8. All gates must be closed, chained and locked. They should be sealed with silicone caulking or packed tightly with fresh gel. This is done to insure that no leakage will occur after the OBM is transferred into the active pit system. 9. Drip pans will be placed to catch any potential spills. Drip pans will also be placed in the loading and unloading area. 10. Vacuum on location for cleanup. 11. Cuttings will be sampled to see if they meet any of the standards set forth in the COGCC Table 910-1 regarding surface management. 12. OBM cuttings will be managed separately from cuttings created during the use of water based mud. Mud tanks will remain stationary through the course of drilling operations. Only the main substructure of the rig needs to be moved. Repairs will be made to the rig liner as necessary. 13. Any cuttings dropped or mud spilled shall be immediately cleaned up and placed in the cuttings boxes. 14. This pad will utilize batch drilling – all lateral portions of the wellbores will be drilled sequentially - therefore, once the system switches to OBM, it will be used for all the wells. There will no requirement to switch back to freshwater mud for the duration of the pad. |
| 3 | Drilling/Completion Operations | <p>BLM Specific Additional Information:</p> <p>All spills in excess of one barrel outside the containment devices shall be reported to the BLM within 24 hours. The BLM shall be notified 24 hours prior to the use of OBM by calling the PET notification phone number (970) 876-9064. For work to commence on a Monday, notice shall be provided to the BLM no later than close of business (COB) on the previous Thursday.</p> <p>COGCC Specific Additional Information:</p> <p>A closed loop system</p> |

Total: 3 comment(s)

Operator Comments:

[Empty box for operator comments]

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Jessica Donahue
Title: Regulatory Technician Email: Jessica.Donahue@blackhillscorp.com Date: 4/7/2015

Based on the information provided herein, this Sundry Notice (Form 4) complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: KUBECZKO, DAVE Date: 5/13/2015

CONDITIONS OF APPROVAL, IF ANY:

COA Type

Description

| | |
|--|--|
| | <p>The following COAs provide procedures and requirements that may already be reflected in the operator's submitted BMPs for the use of oil-based drilling mud for the curve and lateral portions of the wellbores at this location. If there are any questions about the COAs, contact Dave Kubeczko at 970-309-2514 or email at dave.kubeczko@state.co.us.</p> <p>A closed loop system must be implemented during drilling. All cuttings generated during drilling with oil based mud (OBM) must be kept in tanks/containers, or placed on a lined/bermed portion of the well pad; prior to disposition. The moisture content of any OBM-generated drill cuttings in tanks/containers, or in a cuttings containment area or pile, shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, if the drill cuttings are to be left onsite, they must also meet the applicable standards of Table 910-1. Representative cuttings samples will be analyzed for all Table 910-1 constituents. Any material which does not meet Table 910-1 criteria will either be manifested and disposed offsite at the facility identified by the operator, or amended further onsite to comply with Table 910-1. If operator determines that long-term onsite management of oil based mud cuttings is necessary, an approved Form 27 remediation plan will be required. Any liners associated with oil based drilling mud and cuttings must be disposed of offsite per CDPHE rules and regulations.</p> <p>The moisture content of water/bentonite based mud (WBM) generated drill cuttings managed onsite shall be kept as low as practicable to prevent accumulation of liquids greater than de minimis amounts. After drilling and completion operations have been completed, the WBM drill cuttings that will remain on the well pad location (cuttings management area, the cut portion of the pad, cuttings trench, dry cuttings drilling pit), must meet the applicable standards of Table 910-1. After the drill cuttings have been amended (if necessary) and placed on the well pad, sampling frequency of the drill cuttings (to be determined by the operator) shall be representative of the material left on location. No offsite disposal of cuttings to another oil and gas location shall occur without prior approval of a Waste Management Plan (submitted via a Form 4 Sundry Notice) specifying disposal location and waste characterization method. Commercial disposal of drill cuttings will only require notification to COGCC via a Form 4 Sundry Notice.</p> |
|--|--|

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|-------------------------|----------------------------|
| Engineer | Added OGLA review task. | 4/8/2015 8:11:11 AM |

Total: 1 comment(s)

Attachment Check List

Att Doc Num

Name

| | |
|-----------|------------------|
| 400821398 | FORM 4 SUBMITTED |
|-----------|------------------|

| | |
|-----------|----------------|
| 400821400 | CORRESPONDENCE |
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| 400821401 | LOCATION DRAWING |
|-----------|------------------|

Total Attach: 3 Files