

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:  
400744733

APPLICATION FOR PERMIT TO:

Drill       Deepen       Re-enter       Recomplete and Operate

Date Received:  
02/24/2015

TYPE OF WELL    OIL     GAS     COALBED     OTHER \_\_\_\_\_  
ZONE TYPE      SINGLE ZONE     MULTIPLE ZONES     COMMINGLE ZONES

Refiling   
Sidetrack

Well Name: Anderson      Well Number: 19-1-10HC  
Name of Operator: WARD PETROLEUM CORPORATION      COGCC Operator Number: 10359  
Address: PO BOX 1187  
City: ENID      State: OK      Zip: 73702  
Contact Name: Andrea Gross      Phone: (303)942-0506      Fax: ( )  
Email: agross@upstreampm.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20100221

WELL LOCATION INFORMATION

QtrQtr: SWSW      Sec: 18      Twp: 1S      Rng: 66W      Meridian: 6  
Latitude: 39.960440      Longitude: -104.823840

Footage at Surface: 995 feet      FNL/FSL      FEL/FWL  
FSL      1108      feet      FWL

Field Name: WATTENBERG      Field Number: 90750  
Ground Elevation: 5005      County: ADAMS

GPS Data:  
Date of Measurement: 06/06/2014    PDOP Reading: 1.5    Instrument Operator's Name: Rob Daley

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  
460      FNL      1320      FWL      460      FSL      1320      FWL  
Sec: 19      Twp: 1S      Rng: 66W      Sec: 19      Twp: 1S      Rng: 66W

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: 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.)

Please see lease map

Total Acres in Described Lease: 639 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # \_\_\_\_\_

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 460 Feet

**CULTURAL DISTANCE INFORMATION**

Distance to nearest:

Building: 589 Feet

Building Unit: 832 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 944 Feet

Above Ground Utility: 446 Feet

Railroad: 1514 Feet

Property Line: 225 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: 06/06/2014

**SPACING and UNIT INFORMATION**

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 5280 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 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.)
CODELL	CODL	407-1159	640	GWA

**DRILLING PROGRAM**

Proposed Total Measured Depth: 12510 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 572 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? 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 318A

### DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Other

Other Disposal Description:

Drill cuttings will be land farmed at Dechant Farms in Henderson, CO. Please see Waste Management Plan for details.

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
SURF	13+1/2	9+5/8	36	0	1200	994	1200	0
1ST	8+3/4	7	26	0	8145	819	8145	3000
1ST LINER	6+1/8	4+1/2	11.6	7945	12510			

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 Distance to nearest permitted or existing wellbore penetrating objective formation was measured to the Ritchey 1-19.

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: Andrea Gross \_\_\_\_\_

Title: Permit Agent Date: 2/24/2015 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: Matthew Lee Director of COGCC Date: 5/19/2015

Expiration Date: 05/18/2017

API NUMBER  
05 001 09847 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) Submit Form 42 electronically to COGCC 48 hours prior to MIRU. 2) Comply with Rule 317.i and provide cement coverage from end of 7" casing to a minimum of 200' above Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with cement bond log. 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

### Best Management Practices

No	BMP/COA Type	Description
1	Planning	The well pad will be constructed in a manner that noise mitigation will be installed and removed without disturbing the site or landscaping.
2	Traffic control	The pad will have an all-weather access road to allow for operator and emergency responders.
3	Traffic control	A traffic plan will be done if request by Adams County.
4	General Housekeeping	Loadlines: All loadlines shall be bullplugged or capped.
5	General Housekeeping	Guy Line Anchors: All guy line anchors left buried for future use will be identified by a marker of bright color not less than four feet in height and not greater than one foot east of the guy line anchor.

6	General Housekeeping	Removal of Surface Trash: Ward agrees that all trash, refuse pipe, equipment, liquids, chemicals of other materials that are not necessary for the continued operations of the wells will be removed and disposed of no later than 30 days after completion. No such items will be burned or buried on location.
7	General Housekeeping	Well Site Cleared: Ward agrees that all trash, refuse pipe, equipment, liquids, chemicals of other materials that are not necessary for the continued operations of the wells will be removed and disposed of no later than 30 days after completion. No such items will be burned or buried on location.
8	Material Handling and Spill Prevention	Leak Detection Plan: To ensure protection for the surface during fracturing treatment, the location will be specifically constructed to contain any releases or spills. Secondary containment from any chemical spills or leaks will surround any trucks that carry, mix, or add chemicals to the flow stream as well as connections that could possibly leak fluid. Should any spill or release occur, every reasonable step will be taken to quickly remediate the area disturbed.
9	Material Handling and Spill Prevention	Control of Fire Hazards: Ward and its contractor's employ best management practices during the drilling and production of its wells and facilities. They will comply with appropriate COGCC and any county rules concerning fire and safety. Ward will ensure that any flammable material will remain no less than 25 feet from the wellhead (s), tanks and separator(s).
10	Material Handling and Spill Prevention	Berm Construction: A containment berm will be constructed around the oil and water storage tanks. The berm will be inspected regularly and maintained in good condition.
11	Material Handling and Spill Prevention	Tank specifications: Tanks shall be constructed and maintained in accordance with the National Fire Protection Association Code 30 (2008 version). All tanks will be visually inspected once a day for issues. Recorded inspections will be conducted once a month pursuant to 40 CFR §112.
12	Dust control	Operator will comply with Rule 805.c and take all practicable measures to control fugitive dust caused by the operation, including but not limited to wetting the soil with fresh water via a truck with a spreader bar if deemed necessary.
13	Construction	Visual Mitigation: Pursuant to Rule 804, the tank battery shall be painted in uniform, non-contrasting, non-reflective color tones with the colors matched to but slightly darker than the surrounding landscape. Additionally, because the location is within the Rule 604.a.(2) setback due to its proximity to the dealership to the south and east, the battery facilities will be fenced with a 6' chain-link fence, the color for which shall be sufficiently similar to the tank color. This fence shall serve to restrict access to the site by unauthorized persons and as visual mitigation of the facility components.
14	Drilling/Completion Operations	Closed Loop System: Closed Loop System will be used for drilling and fluid management. No reserve pit will be used.
15	Drilling/Completion Operations	Green Completions: Ward will comply with COGCC Rule 805b.(3)A and utilize Green Completion Methods.
16	Drilling/Completion Operations	BOPE Testing: Upon initial rig-up and once every 30 days during drilling operations, pressure testing of the casing string and each component of the BOPE will be performed to 70% of working pressure or 70% of the internal yield of the casing, whichever is less.  BOPE for well servicing operations: Adequate blowout prevention equipment will be used on any servicing operations associated with this well. Backup staving valves shall be required on well servicing operations during reverse circulation. Valves will be pressure tested before each well servicing operation using both low-pressure and high-pressure fluid.  BOPE: Ward will utilize drilling rigs with a minimum of a double ram and annular preventer.
17	Drilling/Completion Operations	Drill Stem Tests: Drill Stem Tests are not anticipated for this location.

18	Drilling/Completion Operations	One of the first wells drilled on the pad will be logged with Open Hole Resistivity Log and Gamma Ray Log from the kick-off point to into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. 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" and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run.
19	Final Reclamation	Identification of Plugged and Abandoned Wells: Pursuant to Rule 319.a.(5)., once the well has been plugged and abandoned, Ward will identify the location of the wellbore with a permanent monument that will detail the well name and date of plugging.

Total: 19 comment(s)

### **Applicable Policies and Notices to Operators**

Notice Concerning Operating Requirements for Wildlife Protection.

### **Attachment Check List**

<b><u>Att Doc Num</u></b>	<b><u>Name</u></b>
1696537	EXCEPTION LOC REQUEST
1696543	OPEN HOLE LOGGING EXCEPTION
400744733	FORM 2 SUBMITTED
400764932	OffsetWellEvaluations Data
400798357	EXCEPTION LOC WAIVERS
400798358	DEVIATED DRILLING PLAN
400798365	SURFACE AGRMT/SURETY
400798366	WELL LOCATION PLAT
400798367	LEASE MAP
400798368	DIRECTIONAL DATA

Total Attach: 10 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	5/18/2015 4:04:01 PM
Permit	Per operator added the Open Hole Logging BMP. Permitting Review Complete.	5/8/2015 2:43:16 PM
Permit	ON HOLD: Open Hole Logging letter insufficient Requesting Open Hole Logging BMP.	5/5/2015 9:02:43 AM
Permit	Attached Open Hole Logging Exception Request letter insufficient.	4/27/2015 8:33:50 AM
Permit	Received and attached Rule 318A.a request letter. ON HOLD: Missing Open Hole Logging BMP.	4/9/2015 11:46:59 AM
Permit	ON HOLD: missing 318A.a request letter. Missing Open Hole Logging BMP.	4/3/2015 2:42:42 PM
Permit	Operator shall comply with Buffer Zone Move-In, Rig-Up Notice Rule 305.h (effective 9/30/2014)	4/3/2015 2:42:28 PM
LGD	Adams County cannot approve this application until a Memorandum of Understanding has been signed by Ward petroleum and approved by the Board of Coutry Commisioners.	3/2/2015 1:48:54 PM
Permit	Passed Completeness	2/26/2015 1:00:47 PM

Total: 9 comment(s)