


<b>FORM</b> <b>2</b> Rev 08/13	<b>State of Colorado</b> <b>Oil and Gas Conservation Commission</b> 1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109		Document Number: 400655358 <b>(SUBMITTED)</b>  Date Received:
<b>APPLICATION FOR PERMIT TO:</b>			
<input checked="" type="checkbox"/> <b>Drill</b> <input type="checkbox"/> Deepen <input type="checkbox"/> Re-enter <input type="checkbox"/> Recomplete and Operate			
TYPE OF WELL    OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____		Refiling <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"/>	
Well Name: <u>Schaefer</u>		Well Number: <u>24-3-5HC</u>	
Name of Operator: <u>WARD PETROLEUM CORPORATION</u>		COGCC Operator Number: <u>10359</u>	
Address: <u>PO BOX 1187</u>			
City: <u>ENID</u>		State: <u>OK</u>	Zip: <u>73702</u>
Contact Name: <u>Andrea Gross</u>		Phone: <u>(303)942-0506</u>	Fax: <u>( )</u>
Email: <u>agross@upstreampm.com</u>			
<b>RECLAMATION FINANCIAL ASSURANCE</b>			
Plugging and Abandonment Bond Surety ID: <u>20100221</u>			
<b>WELL LOCATION INFORMATION</b>			
QtrQtr: <u>SWSE</u>	Sec: <u>24</u>	Twp: <u>1S</u>	Rng: <u>67W</u>
Meridian: <u>6</u>		Latitude: <u>39.944470</u>	
Longitude: <u>-104.834870</u>		FNL/FSL                      FEL/FWL	
Footage at Surface: <u>419</u> feet	FSL <u>1973</u> feet	FEL <u>        </u>	FEL <u>        </u>
Field Name: <u>WATTENBERG</u>		Field Number: <u>90750</u>	
Ground Elevation: <u>5022</u>		County: <u>ADAMS</u>	
GPS Data:			
Date of Measurement: <u>04/11/2014</u>	PDOP Reading: <u>1.9</u>	Instrument Operator's Name: <u>Rob Daley</u>	
If well is <input type="checkbox"/> Directional <input checked="" type="checkbox"/> Horizontal (highly deviated) <b>submit deviated drilling plan.</b>			
Footage at Top of Prod Zone:	FNL/FSL                      FEL/FWL	Bottom Hole:	FNL/FSL                      FEL/FWL
<u>460</u>	FSL <u>1760</u>	<u>460</u>	FNL <u>1760</u>
FEL <u>        </u>	FEL <u>        </u>	FEL <u>        </u>	FEL <u>        </u>
Sec: <u>24</u>	Twp: <u>1S</u>	Rng: <u>67W</u>	Sec: <u>24</u>
Twp: <u>1S</u>	Rng: <u>67W</u>	Twp: <u>1S</u>	Rng: <u>67W</u>
<b>LOCATION SURFACE &amp; MINERALS &amp; RIGHT TO CONSTRUCT</b>			
Surface Ownership: <input checked="" type="checkbox"/> Fee <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Indian			
The Surface Owner is: <input checked="" type="checkbox"/> is the mineral owner beneath the location.			
(check all that apply) <input checked="" type="checkbox"/> is committed to an Oil and Gas Lease.			
<input checked="" type="checkbox"/> has signed the Oil and Gas Lease.			
<input type="checkbox"/> is the applicant.			
The Mineral Owner beneath this Oil and Gas Location is: <input checked="" type="checkbox"/> Fee <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Indian			
The Minerals beneath this Oil and Gas Location will be developed by this Well: <u>Yes</u>			
The right to construct the Oil and Gas Location is granted by: <u>Surface Use Agreement</u>			
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.)

T1S R67W Sec. 24: SE/4SE/4; Sec. 25: A parcel of land in the N/2; Sec. 25: A part of the S/2NW/4

Total Acres in Described Lease: 147 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: 0 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 503 Feet  
Building Unit: 581 Feet  
High Occupancy Building Unit: 5280 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 400 Feet  
Above Ground Utility: 435 Feet  
Railroad: 1020 Feet  
Property Line: 419 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: 3323 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

Section 24 has been forced pooled under Order # 407-1037.

## 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	407-1037	640	All

## DRILLING PROGRAM

Proposed Total Measured Depth: 12484 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 3323 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     318A    

**DRILLING WASTE MANAGEMENT PROGRAM**

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

Cuttings Disposal:     OFFSITE          Cuttings Disposal Method:     Commercial Disposal    

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
SURF	13+1/2	9+5/8	36	0	1200	509	1200	0
1ST	8+3/4	5+1/2	20	0	12484	1606	12484	0

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 from completed portion of the wellbore to nearest wellbore permitted or completed in the same formation was measured to the Sharp 24-3-9HC. Distance to nearest permitted or existing wellbore penetrating object formation was measured to the Sharp 24-3-9HC.

This application is in a Comprehensive Drilling Plan \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: 440718

Is this application being submitted with an Oil and Gas Location Assessment application? No

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: \_\_\_\_\_ Email: agross@upstreampm.com

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: \_\_\_\_\_

Expiration Date: \_\_\_\_\_

**API NUMBER**  
 05

### 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.**

### Best Management Practices

No	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	Development from existing well pads: In order to reduce surface disturbance, Ward is permitting this 2A for twelve (16) wells.
2	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.
3	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.
4	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.
5	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).
6	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.
7	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.

8	Drilling/Completion Operations	Closed Loop System: Closed Loop System will be used for drilling and fluid management. No reserve pit will be used.
9	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 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.
10	Drilling/Completion Operations	Green Completions: Emission Control Systems. Test separators and associated flow lines and sand traps shall be installed on-site to accommodate Green completion techniques pursuant to COGCC Rules.
11	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.
12	Drilling/Completion Operations	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.
13	Drilling/Completion Operations	BOPE: Ward will utilize drilling rigs with a minimum of a double ram and annular preventer.
14	Drilling/Completion Operations	Drill Stem Tests: Drill Stem Tests are not anticipated for this location.
15	Drilling/Completion Operations	Pit Level Indicators: Pit Level Indicators will not be needed as no pits will be used on location.
16	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.
17	Final Reclamation	Well site cleared. Within 90 days subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site.

Total: 17 comment(s)

### Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400676968	WELL LOCATION PLAT
400862854	OffsetWellEvaluations Data
400863534	DEVIATED DRILLING PLAN
400863535	DIRECTIONAL DATA
400863537	SURFACE AGRMT/SURETY
400863538	WASTE MANAGEMENT PLAN
400864231	EXCEPTION LOC REQUEST
400864232	LEASE MAP

Total Attach: 8 Files

**General Comments**

**User Group**

**Comment**

**Comment Date**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>

Total: 0 comment(s)

