

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:

400845651

APPLICATION FOR PERMIT TO:

☒ Drill
 ☐ Deepen
 ☐ Re-enter
 ☐ Recomplete and Operate

Date Received:

06/05/2015

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____Refilling ☐ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☐

Well Name: Foster State

Well Number: 1

Name of Operator: BAYLESS PRODUCER LLC* ROBERT L

COGCC Operator Number: 6720

Address: 621 17TH ST STE 2300

City: DENVER State: CO Zip: 80293

Contact Name: Kimberly Rodell

Phone: (303)942-0506

Fax: ()

Email: krodell@upstreampm.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 19840003

WELL LOCATION INFORMATION

QtrQtr: SWNE Sec: 16 Twp: 4N Rng: 91W Meridian: 6

Latitude: 40.322050

Longitude: -107.613525

Footage at Surface: 1952 feet FNL/FSL FNL 2272 feet FEL/FWL FEL

Field Name: WILDCAT

Field Number: 99999

Ground Elevation: 6806

County: MOFFAT

GPS Data:

Date of Measurement: 05/12/2015 PDOP Reading: 1.7 Instrument Operator's Name: K.G. Stewart

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

2475	FSL	2180	FEL	2475	FSL	2180	FEL
Sec: 16	Twp: 4N	Rng: 91W	Sec: 16	Twp: 4N	Rng: 91W		

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☐ Fee ☒ State ☐ Federal ☐ IndianThe 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: oil and gas lease

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.)

T4N R91W Sec. 16: All

Total Acres in Described Lease: 640 Described Mineral Lease is: ☐ Fee ☒ State ☐ Federal ☐ Indian
Federal or State Lease # 8503
Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 2180 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 4348 Feet
Building Unit: 4348 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 4093 Feet
Above Ground Utility: 4230 Feet
Railroad: 5280 Feet
Property Line: 1952 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: 2867 Feet
Distance from Completed Portion of Wellbore to Nearest Unit Boundary 5280 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.)
NIOBRARA	NBRR			

DRILLING PROGRAM

Proposed Total Measured Depth: 5723 Feet
Distance to nearest permitted or existing wellbore penetrating objective formation: 2867 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: ONSITE Drilling Fluids Disposal Methods: Land application

Cuttings Disposal: ONSITE Cuttings Disposal Method: Other

Other Disposal Description:

If Cuttings meet Table 910-1 standards, they will be treated as soil, stockpiled on location and beneficially re-used on location or at another location as approved by COGCC Sundry Form 4. Excess Cuttings will be transported to an authorized facility.

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	12+1/4	9+5/8	36	0	575	200	575	0
1ST	8+3/4	7	23	0	3776	212	3776	0
OPEN HOLE	6+1/4			3776	5723			

☒ 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 Deer Creek State #1. Distance to nearest permitted or existing wellbore penetrating objective formation was measured to the Deer Creek State #1.

Intermediate casing is being run from surface to 3,776'. From 3,776' to 5,489' (MD) there is no casing set as this is an open hole completion.

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: Kimberly Rodell

Title: Permit Agent Date: 6/5/2015 Email: krodell@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:  Director of COGCC Date: 7/31/2015

Expiration Date: 07/30/2017

API NUMBER

05 081 07821 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) Operator shall comply with the most current revision of the Northwest Notification Policy. See attached notice.
- 2) Changed Surface Casing cement bottom from 200' to 575' to match planned setting depth of the surface casing. Fully-cemented surface casing is required by COGCC's rules. Operator shall increase cement volume as necessary to meet this objective.
- 3) Operator shall provide cement coverage from the intermediate casing shoe (7" First String) to a minimum of 200' above the surface casing shoe to provide isolation of all oil, gas, and water-bearing sandstone intervals within the Mancos Formation that are not otherwise covered by surface casing. Verify First String cement coverage with a cement bond log.

Best Management Practices

No	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Open-hole Resistivity Log with Gamma Ray Log will be run from TD into the surface casing. A Cement Bond Log with Gamma-Ray will be run on production casing, or on intermediate casing if a production liner is run. The Form 5, Completion Report, will list all logs run and have those logs attached.

Total: 1 comment(s)

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400845651	FORM 2 SUBMITTED
400846488	WELL LOCATION PLAT
400849293	DIRECTIONAL DATA
400849298	WASTE MANAGEMENT PLAN
400849304	DRILLING PLAN
400849305	DEVIATED DRILLING PLAN

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected Waste Disposal Method from Beneficial Reuse to Other (Describe Below) to match form 2A as per opr. Final review complete.	7/31/2015 9:07:24 AM
OGLA	Corrected distance from WELL to PROPERTY LINE per operator from 2099' to 1952' based on Well Location Plat.	7/30/2015 2:09:53 PM
Engineer	Offset Well Evaluation: There are no existing offset oil and gas wells within 1,500 feet of this wellbore.	7/14/2015 9:07:29 AM
Engineer	Offset Water Well Check: There are no permitted water wells within 1 mile of this proposed surface hole location, but water wells in the area are drilled as deep as 420'. Depths to formation tops in offset oil and gas wells, locally-available geophysical logs, and hydrogeologic information to evaluate the adequacy of the operator's proposed 575' surface casing setting depth. Mancos Shale is present at surface.	7/14/2015 8:57:49 AM
Engineer	Added Open Hole interval to Casing section of this form to reflect operator's comment, which indicates that open hole will be present below the First String casing shoe. The planned directional survey shows a PTMD of 5723' and a PTVD of 5489'. The PTMD was entered as the bottom of open hole depth. Operator confirmed that the open hole size will be 6+1/4" from 3776' to 5723' via email on 7/20/2015.	7/14/2015 8:42:07 AM
Permit	Passed completeness.	6/30/2015 2:09:01 PM
Permit	Returned to draft. 1.) Please amend the provided 317.p BMP to include the entire language from the guidance document.	6/24/2015 1:34:51 PM
Permit	Returned to draft. 1.) Please amend the provided 317.p BMP to include the entire language from the guidance document.	6/19/2015 9:19:12 AM
Permit	Returned to draft. 1.) PLAT attachment should be named "Well Location Plat". 2.) 317.p BMP is missing. 3.) Casing set depth does not match Proposed Total Measured Depth.	6/10/2015 3:01:49 PM

Total: 9 comment(s)