

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:

400759402

APPLICATION FOR PERMIT TO:

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

Date Received:

07/30/2015

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

Well Name: Winter Flats

Well Number: 10-31-99BH

Name of Operator: BLACK HILLS PLATEAU PRODUCTION LLC

COGCC Operator Number: 10150

Address: 1515 WYNKOOP ST STE 500

City: DENVER State: CO Zip: 80202

Contact Name: Jessica Donahue

Phone: (720)210-1333

Fax: (303)566-3344

Email: Jessica.Donahue@blackhillscorp.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: NWNE Sec: 10 Twp: 9S Rng: 99W Meridian: 6

Latitude: 39.291940

Longitude: -108.424060

Footage at Surface: 1115 feet FNL/FSL FNL 2288 feet FEL/FWL FEL

Field Name: BRONCO FLATS

Field Number: 7563

Ground Elevation: 6096

County: MESA

GPS Data:

Date of Measurement: 05/12/2015 PDOP Reading: 1.7 Instrument Operator's Name: Cotton D. Jones

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

Footage at Top of Prod Zone: FNL/FSL FNL/FWL Bottom Hole: FNL/FSL FEL/FWL

 1951 FNL 2044 FWL 652 FSL 1945 FEL
 Sec: 10 Twp: 9S Rng: 99W Sec: 14 Twp: 9S Rng: 99W

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: No

The right to construct the Oil and Gas Location is granted by: Right of Way

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.)

NENE, S2NE, W2, SE S10; S2NW, SW S11; S2N2, S2 S12; E2, E2W2 S18; LOTS 2-4 S18 T9S R99W

Total Acres in Described Lease: 1918 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC012651A

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 Feet
Building Unit: 5280 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 299 Feet
Above Ground Utility: 5280 Feet
Railroad: 5280 Feet
Property Line: 5280 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 proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 1112 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 602 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): Winter Flats Unit Number: COC047700X

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.)
MANCOS	MNCS			

DRILLING PROGRAM

Proposed Total Measured Depth: 16967 Feet

Distance from proposed wellbore to nearest existing or permitted wellbore belonging to another operator:

525 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?

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	30	20	Line	0	120	320	120	0
SURF	13+1/2	10+3/4	40.5	0	1000	469	1000	0
1ST	9+7/8	7+5/8	29.7	0	5363	745	5363	
2ND	6+3/4	5+1/2	17	0	5150			
TAPER	6+3/4	4+1/2	11.6	5150	16967	1385	16318	5163

☐ 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: Jessica Donahue

Title: Regulatory Technician Date: 7/30/2015 Email: Jessica.Donahue@blackhillscor

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: 12/6/2015

Expiration Date: 12/05/2017

API NUMBER

05 077 10325 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) Operator shall provide cement coverage from the intermediate casing shoe (7+5/8" first string) 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 intermediate casing cement coverage with a cement bond log.
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Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	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.

Total: 1 comment(s)

Applicable Policies and Notices to Operators

Policy
NW Colorado Notification Policy. http://cogcc.state.co.us/documents/reg/Policies/nw_notification_procedures.pdf
Notice Concerning Operating Requirements for Wildlife Protection. http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2168054	UNIT OUTLINE MAP
400759402	FORM 2 SUBMITTED
400877151	OffsetWellEvaluations Data
400877160	WELL LOCATION PLAT
400877166	DEVIATED DRILLING PLAN
400879887	DRILLING PLAN
400882494	DIRECTIONAL DATA

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Received and attached new updated unit map from operator. Verified with LR200. BHL's fall within the unit. Placing form back to In Process. Final review complete.	12/2/2015 2:59:04 PM
Permit	Sent follow-up email to operator.	11/25/2015 2:00:58 PM
Permit	Checking with operator about crossing a unit boundary and distance to nearest well in same formation. Putting form on hold until unit boundary issue has been resolved.	11/13/2015 3:43:57 PM
Permit	Right of way document (400882598) is attached to the form 2A and references COC77006. Final review complete.	11/9/2015 12:41:26 PM
Permit	2A was submitted. Ready to pass pending 2A approval.	10/16/2015 2:03:41 PM
Permit	Form 2A not in Process.	8/26/2015 4:03:23 PM
Engineer	Changed distance to existing wellbore penetrating objective formation from 1112' to 525'. Offset well evaluation: Offset well Winter Flats 10-43-99 (API#077-09440): 525' away completed in Dakota and Mancos. Production casing cemented to surface with DV tool. Removed wells Winter Flats 1 (API#077-08153), Winter Flats 1 10 99 (API#077-08455), and Winter Flats 1-11-99 (API#077-08464) from offset wells evaluation spreadsheet. Wells are more than 1,500 feet from the planned wellbore. Removed Winter Flats 1-14 (API#077-08471) and Winter Flats 15-43-99 (API#077-10080) from offset well spreadsheet, the wells were not drilled. Offset water well check: Offset water well check: There are no permitted water wells within 1 mile of this proposed surface hole location.	8/17/2015 9:51:38 AM
Permit	Passed completeness.	8/14/2015 2:05:22 PM
Permit	Returned to draft. 1.) The Directional Data does not match the submitted document. 2.) The Proposed Total Measured Depth does not match the Deviated Drilling Plan.	8/10/2015 9:44:53 AM
Permit	Returned to draft. 1.) Please revise the provided 317.p BMP to include the entire language from the guidance document. 2.) The Open Hole Logging Exception letter attachment does not follow the guidance document. 3.) Operator's Wellbore Integrity Contact email is blank. 4.) The Directional Data/Deviated Drilling Plan do not match the Proposed Total Measured Depth/Casing depth or the Drilling Plan attachment.	3/5/2015 1:21:32 PM

Total: 10 comment(s)