

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:  
400902107

APPLICATION FOR PERMIT TO:

Drill       Deepen       Re-enter       Recomplete and Operate

Date Received:  
10/22/2015

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

Refiling   
Sidetrack

Well Name: Long      Well Number: 12D-20  
Name of Operator: CAERUS PICEANCE LLC      COGCC Operator Number: 10456  
Address: 600 17TH STREET #1600N  
City: DENVER      State: CO      Zip: 80202  
Contact Name: Reed Haddock      Phone: (720)880-6369      Fax: (303)565-4606  
Email: rhaddock@caerusoilandgas.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20130021

WELL LOCATION INFORMATION

QtrQtr: SWNW      Sec: 20      Twp: 7S      Rng: 94W      Meridian: 6  
Latitude: 39.425478      Longitude: -107.915654

Footage at Surface: 2274 feet      FNL/FSL FNL 1072 feet      FEL/FWL FWL

Field Name: RULISON      Field Number: 75400  
Ground Elevation: 7905      County: GARFIELD

GPS Data:  
Date of Measurement: 07/15/2015    PDOP Reading: 1.5    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 FNL 683 FWL      Bottom Hole: FNL/FSL FNL 683 FWL  
2422      2422  
Sec: 20      Twp: 7S      Rng: 94W      Sec: 20      Twp: 7S      Rng: 94W

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: 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.)

Sec. 20, T7S, R94W - SWNW, NWSW, W2SENE, W2NESW

Total Acres in Described Lease: 120 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: 683 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1194 Feet

Building Unit: 1194 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 351 Feet

Above Ground Utility: 5280 Feet

Railroad: 5280 Feet

Property Line: 917 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: 321 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 683 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

## SPACING & FORMATIONS COMMENTS

Sec. 20 - T7S, R94W

## OBJECTIVE FORMATIONS

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| WILLIAMS FORK          | WMFK           | 139-73                  | 640                           | Sec 20 All                           |

## DRILLING PROGRAM

Proposed Total Measured Depth: 9516 Feet

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

321 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: Recycle/reuse

Cuttings Disposal: ONSITE Cuttings Disposal Method: Beneficial reuse

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             | 52.8# | 0             | 100           | 218       | 100     | 0       |
| SURF        | 14+3/4       | 9+5/8          | 36#   | 0             | 2500          | 548       | 2500    | 0       |
| 1ST         | 8+3/4        | 4+1/2          | 11.6# | 0             | 9516          | 950       | 9516    | 5026    |

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 "re-file" application was previously permitted and drill pad built by Noble Energy, Inc. The BHL falls in Project Rulison, Tier II, Sector 2.

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

Location ID: 414880

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: Reed Haddock

Title: Sr. Regulatory Specialist Date: 10/22/2015 Email: rhaddock@caerusoilandgas.co

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: 12/18/2015

Expiration Date: 12/17/2017

**API NUMBER**

05 045 18942 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

|  |   |
|--|---|
|  | <p>(1) Operator shall comply with the most current revision of the Northwest Notification Policy. See attached notice.</p> <p>(2) Operator shall comply with the most current revision of the Garfield County Rulison Field Notice to Operators, with the following exception: All field notice requirements specified in that Notice to Operators are superseded by the requirements of the most current revision of the Northwest Colorado Notification Policy (see Condition of Approval #1). See attached notice.</p> <p>(3) In lieu of the standard Form 42 spud notice required by the Northwest Notification Policy, submit Form 42 Rulison SAP / Rio Blanco SAP - Spud Notice, specifying the bottom hole location sector and tier.</p> <p>(4) Operator shall provide complete well-specific emergency contact information to COGCC via email prior to spudding this well. Rulison.Submittal@state.co.us</p> <p>(5) Operator shall comply with all provisions of the most recent COGCC-approved revision of the Rulison Sampling and Analysis Plan.</p> <p>(6) Operator shall provide cement coverage from the production casing shoe 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 production casing cement coverage with a cement bond log.</p> |
|--|---|

## Best Management Practices

### No BMP/COA Type

### Description

|   |                                |   |
|---|--------------------------------|---|
| 1 | Planning                       | In compliance with Rule 317.p the first well that is operationally feasible on the 17L pad will be logged with an open-hole Resistivity Log and Gamma Ray Log from TD into the surface casing. All wells on the pad will have a Cement Bond Log with cased-hole Gamma Ray run on the production casing. The Form 5 Completion Report will list all the logs run in the subject well and identify the well that was logged with the open-hole Resistivity Log. |
| 2 | Drilling/Completion Operations | Caerus Operating LLC will adhere to the COGCC Policy for Bradenhead Monitoring effective May 29, 2012.  |

Total: 2 comment(s)

## Applicable Policies and Notices to Operators

|  |
|--|
| Policy   |
| Piceance Rulison Field - Notice to Operators.<br><a href="http://cogcc.state.co.us/documents/reg/Policies/NoticeToOp-20060623-2.pdf">http://cogcc.state.co.us/documents/reg/Policies/NoticeToOp-20060623-2.pdf</a>         |
| NW Colorado Notification Policy.<br><a href="http://cogcc.state.co.us/documents/reg/Policies/nw_notification_procedures.pdf">http://cogcc.state.co.us/documents/reg/Policies/nw_notification_procedures.pdf</a>            |
| Notice Concerning Operating Requirements for Wildlife Protection.<br><a href="http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf">http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf</a> |

## Attachment Check List

| <b>Att Doc Num</b> | <b>Name</b>            |
|--------------------|------------------------|
| 2168050            | DOE APPROVAL LETTER    |
| 2168058            | SURFACE AGRMT/SURETY   |
| 400902107          | FORM 2 SUBMITTED       |
| 400916884          | DEVIATED DRILLING PLAN |
| 400921989          | WELL LOCATION PLAT     |
| 400921992          | TOPO MAP               |
| 400925277          | DIRECTIONAL DATA       |

Total Attach: 7 Files

### **General Comments**

| <b><u>User Group</u></b> | <b><u>Comment</u></b>   | <b><u>Comment Date</u></b> |
|--------------------------|---|----------------------------|
| Permit                   | Surface location is being relocated from previously permitted APD. Attached SUA and corrected surface and minerals tab to reflect right to construct as SUA, as per operator. Final review complete.  | 12/16/2015<br>4:09:06 PM   |
| Permit                   | Attached DOE approval letter.   | 11/19/2015<br>3:57:49 PM   |
| Permit                   | Sent DOE spreadsheet with required information and multi-well plan and request for approval. BHL is the same as Long 20-13B 045-18973 coming from section 19. Requested clarification from operator. Added Sec 20 to unit description as per operator. Ready to pass pending outcome of above items.  | 11/10/2015<br>11:50:32 AM  |
| Engineer                 | Evaluated existing offset oil and gas wells within 1,500 feet of this wellbore. No mitigation required.<br><br>Offset water well check: COGCC evaluated offset water wells within one mile of this proposed well's surface hole location. This information was used in addition to locally-available geophysical logs and hydrogeologic information to evaluate the adequacy of the operator's proposed surface casing setting depth. The deepest water well within one mile is 150 feet. | 10/28/2015<br>2:10:52 PM   |
| Permit                   | Passed completeness.  | 10/27/2015<br>1:32:55 PM   |
| Permit                   | Returned to draft per operator.   | 10/27/2015<br>9:22:40 AM   |

Total: 6 comment(s)