

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



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Date Received:			

SUNDRY NOTICE

Submit a signed original. This form is to be used for general, technical and environmental sundry information. For proposed or completed operations, describe in full in Comments or provide as an attachment. Identify Well by API Number; identify Oil and Gas Location by Location ID Number; identify other Facility by Facility ID Number.

OGCC Operator Number: 10421 Contact Name Duncan Shepherd
 Name of Operator: PETROLEUM RESOURCE MANAGEMENT CORP. Phone: (303) 861-9480
 Address: 1580 LINCOLN ST., STE 635 Fax: (303) 861-7362
 City: DENVER State: CO Zip: 80203 Email: petromgt@att.net

Complete the Attachment
Checklist

OP OGCC

API Number : 05- 081 07799 00 OGCC Facility ID Number: 436484
 Well/Facility Name: Duncan Ranch Well/Facility Number: 11-89-36 #3-4
 Location QtrQtr: Lot 19 Section: 36 Township: 11N Range: 89W Meridian: 6
 County: MOFFAT Field Name: WILDCAT
 Federal, Indian or State Lease Number: _____

Survey Plat		
Directional Survey		
Srvc Eqpmt Diagram		
Technical Info Page		
Other		

CHANGE OF LOCATION OR AS BUILT GPS REPORT

- Change of Location * As-Built GPS Location Report As-Built GPS Location Report with Survey

* Well location change requires new plat. A substantive surface location change may require new Form 2A.

SURFACE LOCATION GPS DATA Data must be provided for Change of Surface Location and As Built Reports.

Latitude _____ PDOP Reading _____ Date of Measurement _____
 Longitude _____ GPS Instrument Operator's Name _____

LOCATION CHANGE (all measurements in Feet)

Well will be: _____ (Vertical, Directional, Horizontal)

Change of **Surface Footage From** Exterior Section Lines:

FNL/FSL	FEL/FWL
728 FSL	2409 FEL

Change of **Surface Footage To** Exterior Section Lines:

Current **Surface Location From** QtrQtr Lot 19 Sec 36 Twp 11N Range 89W Meridian 6
 New **Surface Location To** QtrQtr _____ Sec _____ Twp _____ Range _____ Meridian _____

Change of **Top of Productive Zone Footage From** Exterior Section Lines:

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Change of **Top of Productive Zone Footage To** Exterior Section Lines:

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Current **Top of Productive Zone Location From** Sec _____ Twp _____ Range _____

New **Top of Productive Zone Location To** Sec _____ Twp _____ Range _____

Change of **Bottomhole Footage From** Exterior Section Lines:

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Change of **Bottomhole Footage To** Exterior Section Lines:

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Current **Bottomhole Location** Sec _____ Twp _____ Range _____

New **Bottomhole Location** Sec _____ Twp _____ Range _____

** attach deviated drilling plan

Is location in High Density Area? _____

Distance, in feet, to nearest building _____, public road: _____, above ground utility: _____, railroad: _____,
 property line: _____, lease line: _____, well in same formation: _____

Ground Elevation _____ feet Surface owner consultation date _____

Comments:

ENGINEERING AND ENVIRONMENTAL WORK

NOTICE OF CONTINUED TEMPORARILY ABANDONED STATUS

Indicate why the well is temporarily abandoned and describe future plans for utilization in the COMMENTS box below or provide as an attachment, as required by Rule 319.b.(3).

Date well temporarily abandoned _____ Has Production Equipment been removed from site? _____

Mechanical Integrity Test (MIT) required if shut in longer than 2 years. Date of last MIT _____

SPUD DATE: _____

TECHNICAL ENGINEERING AND ENVIRONMENTAL WORK

Details of work must be described in full in the COMMENTS below or provided as an attachment.

NOTICE OF INTENT Approximate Start Date 06/01/2016

REPORT OF WORK DONE Date Work Completed _____

- | | | |
|--|---|--|
| <input type="checkbox"/> Intent to Recomplete (Form 2 also required) | <input checked="" type="checkbox"/> Request to Vent or Flare | <input type="checkbox"/> E&P Waste Mangement Plan |
| <input type="checkbox"/> Change Drilling Plan | <input type="checkbox"/> Repair Well | <input type="checkbox"/> Beneficial Reuse of E&P Waste |
| <input type="checkbox"/> Gross Interval Change | <input type="checkbox"/> Rule 502 variance requested. Must provide detailed info regarding request. | |
| <input type="checkbox"/> Other _____ | <input type="checkbox"/> Status Update/Change of Remediation Plans for Spills and Releases | |

COMMENTS:

Petroleum Resource Management respectfully requests permission to conduct a 60-day production test and to flare gas on the Duncan Ranch 11-89-36 #3-4 well (API #05-081-07799) located in Lot 19 (SWSE), Section 36, T11N, R89W, 6th PM in Moffat County.

The test is required (1) to provide required information to the BLM for their "paying well determination" subsequent to approval of our Federal unit application, (2) to determine the ability of the well to sustain production for the long term, (3) to provide information necessary to verify the resource potential, (4) to properly test the several zones that are present, and (5) to develop information to properly design the equipment and pipeline necessary to take away the gas production. The test is proposed to start on June 1, 2016 and will run for approximately 60 days or until August 1, 2016. The estimated 60 day production forecast is 9,000 barrels of oil, 480 barrels of water, and 18,000 Mcf of gas. The oil will be collected in tanks and sold. The water will be collected in tanks and disposed at a permitted disposal facility. Some of the natural gas will power the pumping unit and the rest will be flared.

A leased pumping unit will use approximately 2,400 Mcf of gas during the production test leaving 15,600 Mcf to be flared on location. The Duncan Ranch well pad is located in a remote part of Moffat County. The nearest residence is located 1337 feet to the southeast and is owned by the surface and mineral owner who has approved of the proposed production test. No other residences are located within one mile of the well pad. The area is very sparsely populated and the area roads are very lightly traveled. The well pad is approximately one mile from the nearest county road. The location is fairly well concealed by mature aspen forest and by topography.

Several options to flaring were considered and all of them greatly exceed in cost any potential benefit for recovering the produced natural gas. At COGCC's request the options that were reviewed include:

- 1) Gas processing which will cost \$344,520. The estimate assumes that the leased gas processing skid will have approximately 40% shrink between fuel use and liquid recovery; meaning that 60% of the gas will still be flared. It may require CDPHE approval which would delay the project start by a year to obtain the necessary construction permit.
- 2) Electric generation which will cost \$1,221,990. The estimate assumes a leased portable turbine generator feeding into a power line which will need to be constructed. There is no 3-phase power available at the well site and 12.5 miles of overhead electric line would need to be constructed to tie into the nearest power line capable of handling the power generation output. It is anticipated that the power line installation would require one year for approvals and construction through the local power company and Moffat County (based on a similar line recently constructed in Garfield County).
- 3) Natural gas pipeline which will cost \$8,038,170. It will require crossing streams (requiring additional field surveys and a Corps of Engineers permit) and obtaining approval to connect to an existing Entek pipeline to the north. It may also require a field compressor which is not included in the cost estimate presented here. It is anticipated that it will require over one year for the necessary approvals and construction.

A pipeline route map and a cost break-out for each estimate are attached.

CASING AND CEMENTING CHANGES

Casing Type	Size	Of	/	Hole	Size	Of	/	Casing	Wt/Ft	Csg/LinTop	Setting Depth	Sacks of Cement	Cement Bottom	Cement Top

H2S REPORTING

Data Fields in this section are intended to document Sample and Location Data associated with the collection of a Gas Sample that is submitted for Laboratory Analysis.

Gas Analysis Report must be attached.

H2S Concentration: _____ in ppm (parts per million)

Date of Measurement or Sample Collection _____

Description of Sample Point:

Absolute Open Flow Potential _____ in CFPD (cubic feet per day)

Description of Release Potential and Duration (If flow is not open to the atmosphere, identify the duration in which the container or pipeline would likely be opened for servicing operations.):

Distance to nearest occupied residence, school, church, park, school bus stop, place of business, or other areas where the public could reasonably be expected to frequent: _____

Distance to nearest Federal, State, County, or municipal road or highway owned and principally maintained for public use: _____

COMMENTS:

Best Management Practices

No BMP/COA Type

Description

Operator Comments:

No changes to the existing well pad or access road are proposed.

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Rick Obernolte
Title: Agent Email: rickobe1@aol.com Date: _____

Based on the information provided herein, this Sundry Notice (Form 4) complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____ Date: _____

CONDITIONS OF APPROVAL, IF ANY:

<u>COA Type</u>	<u>Description</u>

General Comments

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

Total: 0 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401039190	OTHER
401039191	OTHER
401039192	OTHER
401039193	ACCESS ROAD MAP

Total Attach: 4 Files