

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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|--------------------------------------|----|----|----|
| DE | ET | OE | ES |
| Document Number: 401039188 | | | |
| 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:

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

Current **Surface** Location **From** QtrQtr Lot 19 Sec 36

New **Surface** Location **To** QtrQtr _____ Sec _____

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

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

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

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

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

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

Current **Bottomhole** Location Sec _____ Twp _____

New **Bottomhole** Location Sec _____ Twp _____

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 _____

| FNL/FSL | | FEL/FWL | |
|----------------|------------------|-------------------|------------|
| <u>728</u> | <u>FSL</u> | <u>2409</u> | <u>FEL</u> |
| _____ | _____ | _____ | _____ |
| Twp <u>11N</u> | Range <u>89W</u> | Meridian <u>6</u> | |
| Twp _____ | Range _____ | Meridian _____ | |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| Twp _____ | Range _____ | | |
| Twp _____ | Range _____ | | |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

**

**

** attach deviated drilling plan

CHANGE OR ADD OBJECTIVE FORMATION AND/OR SPACING UNIT

| <u>Objective Formation</u> | <u>Formation Code</u> | <u>Spacing Order Number</u> | <u>Unit Acreage</u> | <u>Unit Configuration</u> |
|----------------------------|-----------------------|-----------------------------|---------------------|---------------------------|
| | | | | |

OTHER CHANGES

☐ **REMOVE FROM SURFACE BOND** Signed surface use agreement is a required attachment

☐ **CHANGE OF WELL, FACILITY OR OIL & GAS LOCATION NAME OR NUMBER**

From: Name DUNCAN RANCH Number 11-89-36 #3-4 Effective Date: _____

To: Name _____ Number _____

☐ **ABANDON PERMIT: Permit can only be abandoned if the permitted operation has NOT been conducted. Field inspection will be conducted to verify site status.**

☐ WELL: Abandon Application for Permit-to-Drill (Form2) – Well API Number _____ has not been drilled.

☐ PIT: Abandon Earthen Pit Permit (Form 15) – COGCC Pit Facility ID Number _____ has not been constructed (Permitted and constructed pit requires closure per Rule 905)

☐ CENTRALIZED E&P WASTE MANAGEMENT FACILITY: Abandon Centralized E&P Waste Management Facility Permit (Form 28) – Facility ID Number _____ has not been constructed (Constructed facility requires closure per Rule 908)

OIL & GAS LOCATION ID Number: _____

☐ Abandon Oil & Gas Location Assessment (Form 2A) – Location has not been constructed and site will not be used in the future.

☐ Keep Oil & Gas Location Assessment (Form 2A) active until expiration date. This site will be used in the future.

Surface disturbance from Oil and Gas Operations must be reclaimed per Rule 1003 and Rule 1004.

☐ **REQUEST FOR CONFIDENTIAL STATUS**

☐ **DIGITAL WELL LOG UPLOAD**

☐ **DOCUMENTS SUBMITTED** Purpose of Submission: _____

RECLAMATION**INTERIM RECLAMATION**

☐ Interim Reclamation will commence approximately _____

Per Rule 1003.e.(3) operator shall submit Sundry Notice reporting interim reclamation is complete and site is ready for inspection when vegetation reaches 80% coverage.

☐ Interim reclamation complete, site ready for inspection.

Per Rule 1003.e(3) describe interim reclamation procedure in Comments below or provide as an attachment and attach required location photographs.

Field inspection will be conducted to document Rule 1003.e. compliance

FINAL RECLAMATION

☐ Final Reclamation will commence approximately _____

Per Rule 1004.c.(4) operator shall submit Sundry Notice reporting final reclamation is complete and site is ready for inspection when vegetation reaches 80% coverage.

☐ Final reclamation complete, site ready for inspection. Per Rule 1004.c(4) describe final reclamation procedure in Comments below or provide as an attachment.

Field inspection will be conducted to document Rule 1004.c. compliance

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:**COA Type****Description**

| | |
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General Comments**User Group****Comment****Comment Date**

| | | |
|--|--|--|
| | | |
|--|--|--|

Total: 0 comment(s)

Attachment Check List**Att Doc Num****Name**

| | |
|-----------|-----------------|
| 401039190 | OTHER |
| 401039191 | OTHER |
| 401039192 | OTHER |
| 401039193 | ACCESS ROAD MAP |

Total Attach: 4 Files