

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:

401047572

(SUBMITTED)

Date Received:

06/14/2016

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Peppy

Well Number: 31-15

Name of Operator: GRMR OIL & GAS LLC

COGCC Operator Number: 10524

Address: 370 INTERLOCKEN BLVD SUITE 550

City: BROOMFIELD

State: CO

Zip: 80021

Contact Name: Kristina Lee

Phone: (303)659-9581

Fax: ()

Email: krislee@skybeam.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20140073

WELL LOCATION INFORMATION

QtrQtr: SWSE Sec: 31 Twp: 5N Rng: 90W Meridian: 6

Latitude: 40.335485

Longitude: -107.534252

Footage at Surface: 486 feet FNL/FSL FSL 2030 feet FEL/FWL FEL

Field Name: WADDLE CREEK

Field Number: 90450

Ground Elevation: 6704

County: MOFFAT

GPS Data:

Date of Measurement: 03/09/2016 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 63 FNL 920 FNL 1771 FNL 315 FNL
FEL/FWL FEL
Bottom Hole: FNL/FSL FSL 315 FEL

Sec: 8 Twp: 4N Rng: 90W Sec: 7 Twp: 4N Rng: 90W

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: Surface Use Agreement

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-R90W
Sec10: Lots 1, 2, 3, 4, NESW, SE
Sec11: SW
Sec14: N2NW
Sec15: N2NE
T5N-R90W
Sec29: Lot 2
Sec30: Lot 20
Sec31: Lots 5, 11, 16, SENE, SWSE, E2SE
Sec32: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, NENW, W2W2
Sec33: Lots 4, 5, 6, 9, 10, 11, 12, 13, 14, 15, 16
Sec34: Lots 13, 14"

Total Acres in Described Lease: 2252 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: 400 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 830 Feet
Building Unit: 865 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 249 Feet
Above Ground Utility: 208 Feet
Railroad: 5280 Feet
Property Line: 268 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: 03/09/2016

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: 2000 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): WILLIAMS FORK

Unit Number: COC074956X

SPACING & FORMATIONS COMMENTS

This well is within a federal unit; spacing is not applicable.

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: 6537 Feet

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

350 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:

Water based cuttings and fluids will be dried and buried onsite in a trench. Onsite sifter will be used to monitor TPH levels per 900 series rule and table 910-1 Cuttings that exceed limit will be dried and trucked to offsite disposal facility.

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	26	20	104	0	60	210	60	0
SURF	17+1/2	13+3/8	54.5	0	743	580	743	0
1ST	12+1/4	9+5/8	36	0	3618	700	3618	0
2ND	8+1/2	5+1/2	17	0	6537	0	6537	0

☐ 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 _____ No _____ CDP #: _____

Location ID: 418843

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: Kristina Lee

Title: Regulatory Agent for GRMR Date: 6/14/2016 Email: krislee@skybeam.com

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: _____
Expiration Date: _____

API NUMBER

05

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

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Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Storm Water/Erosion Control	A Storm water management plan will be prepared and will meet all requirements of the COGCC & CDPHE. Stormwater BMPs will be put in place to control erosion prior to constructing the well pad and access road.
2	Material Handling and Spill Prevention	Spill Prevention Plans (SPCC) are in place to address material releases and to prescribe materials handling BMPs for the facility. "Good house-keeping" measures will be taken to ensure proper waste disposal
3	Dust control	In order to mitigate dust and odor from the pad and access road, water will be applied to these surfaces regularly to control dust and odor.
4	Noise mitigation	GRMR will insure adequate noise and light reduction will occur during drilling operations to ensure noise levels to not exceed light industrial standards.
5	Odor mitigation	In order to mitigate dust and odor from the pad and access road, water will be applied to these surfaces regularly to control dust and odor.
6	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: 6 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401047572	FORM 2 SUBMITTED
401047749	SURFACE AGRMT/SURETY
401055347	DIRECTIONAL DATA
401055351	DEVIATED DRILLING PLAN
401062741	WELL LOCATION PLAT

Total Attach: 5 Files

General Comments

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

Total: 0 comment(s)