

<b>FORM</b> <b>2</b> Rev 08/13	<b>State of Colorado</b> <b>Oil and Gas Conservation Commission</b> 1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109		Document Number:  400760451 <b>(REJECTED)</b>  Date Received: 06/07/2016
<b>APPLICATION FOR PERMIT TO:</b>			
<input checked="" type="checkbox"/> <b>Drill</b> <input type="checkbox"/> Deepen <input type="checkbox"/> Re-enter <input type="checkbox"/> Recomplete and Operate			
TYPE OF WELL    OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____		Refiling <input type="checkbox"/>	
ZONE TYPE    SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>		Sidetrack <input type="checkbox"/>	
Well Name: <u>Marcus LD</u>		Well Number: <u>11-365HN</u>	
Name of Operator: <u>GREAT WESTERN OPERATING COMPANY LLC</u>		COGCC Operator Number: <u>10110</u>	
Address: <u>1801 BROADWAY #500</u>			
City: <u>DENVER</u>		State: <u>CO</u>	Zip: <u>80202</u>
Contact Name: <u>Allison Linz</u>		Phone: <u>(303)398-0355</u>	Fax: <u>( )</u>
Email: <u>regulatorypermitting@gwogco.com</u>			
<b>RECLAMATION FINANCIAL ASSURANCE</b>			
Plugging and Abandonment Bond Surety ID: <u>20160041</u>			
<b>WELL LOCATION INFORMATION</b>			
QtrQtr: <u>SESE</u>	Sec: <u>34</u>	Twp: <u>1N</u>	Rng: <u>67W</u>
Meridian: <u>6</u>		Latitude: <u>40.003031</u>	
Longitude: <u>-104.868047</u>		Footage at Surface: <u>967</u> feet	
FNL/FSL <u>FSL</u>	FEL/FWL <u>260</u>	feet	FEL
Field Name: <u>WATTENBERG</u>		Field Number: <u>90750</u>	
Ground Elevation: <u>5041</u>		County: <u>WELD</u>	
GPS Data:			
Date of Measurement: <u>11/20/2014</u> PDOP Reading: <u>1.1</u> Instrument Operator's Name: <u>J.Christpher, J.C.</u>			
If well is <input type="checkbox"/> Directional <input checked="" type="checkbox"/> Horizontal (highly deviated) <b>submit deviated drilling plan.</b>			
Footage at Top of Prod Zone:    FNL/FSL    FEL/FWL    Bottom Hole:    FNL/FSL    FEL/FWL			
<u>460</u>	<u>FNL</u>	<u>1330</u>	<u>FEL</u>
<u>470</u>	<u>FSL</u>	<u>1320</u>	<u>FEL</u>
Sec: <u>2</u>	Twp: <u>1S</u>	Rng: <u>67W</u>	Sec: <u>11</u>
Twp: <u>1S</u>	Rng: <u>67W</u>		
<b>LOCATION SURFACE &amp; MINERALS &amp; RIGHT TO CONSTRUCT</b>			
Surface Ownership: <input checked="" type="checkbox"/> Fee <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Indian			
The Surface Owner is: <input type="checkbox"/> is the mineral owner beneath the location.			
(check all that apply) <input type="checkbox"/> is committed to an Oil and Gas Lease.			
<input type="checkbox"/> has signed the Oil and Gas Lease.			
<input type="checkbox"/> is the applicant.			
The Mineral Owner beneath this Oil and Gas Location is: <input checked="" type="checkbox"/> Fee <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Indian			
The Minerals beneath this Oil and Gas Location will be developed by this Well: <u>No</u>			
The right to construct the Oil and Gas Location is granted by: <u>Surface Use Agreement</u>			
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.)

Mineral Lease Description: S2 Section 2 T1N R67W

Total Acres in Described Lease: 320 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: 0 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 617 Feet

Building Unit: 799 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 245 Feet

Above Ground Utility: 226 Feet

Railroad: 5280 Feet

Property Line: 260 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: 12/09/2014

## 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: 190 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 Feet (Enter 5280 for distance greater than 1 mile.)

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

## SPACING & FORMATIONS COMMENTS

proposed Spacing unit: E2 Section 2, E2 Section 11

## 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		640	GWA

## DRILLING PROGRAM

Proposed Total Measured Depth: 19091 Feet

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells:

Enter distance if less than or equal to 1,500 feet: 320 feet  No well belonging to another operator within 1,500 feet

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H<sub>2</sub>S 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? Yes

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 318A

### DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

Beneficial reuse or land application plan submitted? No

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
SURF	13+1/2	9+5/8	36	0	1300	541	1300	0
1ST	8+1/2	5+1/2	17	0	19091	2391	19091	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

Please use SUA as reference for the Twinning and Windows Waivers.

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

Location ID: 440806

Is this application being submitted with an Oil and Gas Location Assessment application? No

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

Signed: \_\_\_\_\_ Print Name: Allison Linz

Title: Regulatory Tech Date: 6/7/2016 Email: regulatorypermitting@gwogco.c

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

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

## Best Management Practices

No BMP/COA Type

Description

<u>No BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations
	Drill stem tests (Rule 604.c.(2)L  Conventional drill stem tests will not be conducted on DJ Basin horizontal wells currently being executed or planned by GWOC. If plans change in the future a well specific drill stem testing plan will be prepared for that particular well. Note that GWOC may elect to use one of several available wireline deployed tools for the purpose of measuring downhole formation pressures and/or collecting downhole fluid samples from the target formation(s) of a particular well.

2	Drilling/Completion Operations	<p>Stimulation Setback (Rule 317.r and 317.s)  Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed well path with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottom hole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment.</p>
3	Drilling/Completion Operations	<p>Odors and Light Mitigation  Where possible, drilling rig and completion equipment engine exhaust will be directed away from occupied buildings to assist in mitigating potential odors. Light sources will be directed downwards, and away from occupied structures where possible. While GWOC does not anticipate any mitigation measures will be necessary for odors, sealed tanks with pressure relief valves and emissions controls will be utilized for the production phase. Once the drilling and completion rigs leave the site, there will be no permanently installed lighting on site.</p>
4	Drilling/Completion Operations	<p>BOPE for well servicing (Rule 604.c.(2)J)  A BOPE with a minimum pressure rating of 3,000 psi will be utilized. At a minimum it will consist of 2 ram preventers and 1 annular preventer. The blind rams will be positioned below the pipe rams. A backup system of pressure control will be onsite consisting of at a minimum 1,000 psi accumulator (backup pressure). Accumulator is tested to 1,000 psi. Operator may use fixed sized pipe rams matching the tubular size. The annular preventer will be pressure tested to 250 psi low and 2,000 psi high for 10 minutes each. The ram preventers will be tested to 250 psi low and 2,500 psi high for 10 minutes each. All remaining well control equipment will be tested to 250 psi low and 2,500 psi high for 10 minutes each. The pressure tests will be conducted when the equipment is first installed and every 30 days thereafter. Pipe rams and blind rams will be function tested before every well service operation. Annual BOP inspections and pressure tests will be performed by the service company and will be charted &amp; retained for 1 year. Backup stabbing valves shall be used on operations that require reverse circulation. Valves will be pressure tested before each well service operation in low pressure and high pressure range. The GWOC onsite representative will be certified in Well Control Operations by a Well-Cap certified training service.</p>
5	Drilling/Completion Operations	<p>Traffic Plan (Rule 604.c.(2)D).  GWOC works closely with all municipalities as appropriate to develop a mutually acceptable road traffic access plan addressing site specific traffic-related issues. These plans may address issues such as; routes, construction specification of access roads, maintenance, dust control, jake brake limits, traffic controls, enforcement, emergency response, etc. GWOC will work with municipalities, the County's Planning Department and/or Road Department to address complaints related to traffic or dust issues as appropriate. Dust control measures may include surface stabilization, or dust control with appropriate chemical or water applications.</p>
6	Drilling/Completion Operations	<p>Identification of P&amp;A wells (Rule 604.c.(2)U)  GWOC shall identify the location of the P&amp;A wellbore with a permanent monument as specified in Rule 319.a.(5). The operator shall also inscribe or imbed the well number and date of plugging upon the permanent monument. P&amp;A wellbores shall be cutoff well below ground surface in agricultural areas to provide for landowners to safely farm the reclaimed well area.</p>
7	Drilling/Completion Operations	<p>Bradenhead Monitoring  GWOC will comply with the "COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area", dated May 29, 2012</p>

8	Drilling/Completion Operations	<p>Multi Well Open Hole Logging</p> <p>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 &amp; number) the well in which open-hole logs were run.</p>
9	Drilling/Completion Operations	<p>Odors, Sound and Light Pollution Mitigation</p> <p>During the drilling phase, Great Western plans to construct sound/visual walls that will be placed along the edges of the pad. This will also assist to block out any lighting from nearby occupied structures. Where possible, drilling rig and completion equipment engine exhaust will be directed away from occupied buildings. Sealed tanks with pressure relief valves and emissions</p>
10	Drilling/Completion Operations	<p>Green Completions (Rule 604.c.(2)C.</p> <p>As applicable, per COGCC Rule 805, GWOC will utilize all reasonable and cost-efficient best practices, including but not limited to those listed in Rule 805, to maximize resource recovery and mitigate releases to the environment.</p> <ul style="list-style-type: none"> <li>• Initial frac and drill out effluent is routed through a sand catcher/trap and a junk/sand tank to remove sand and well frac debris.</li> <li>• Once any hydrocarbons are detected but prior to encountering salable quality combustible gas or significant volumes of liquid hydrocarbons (condensate or oil) (greater than 10 barrels per day average) the effluent is routed through a high-pressure separator and closed-top tanks to minimize emissions to the environment. Hydrocarbon liquids, produced water, and sand are separated utilizing the high-pressure separator.</li> <li>• The quality (combustibility) of the gas is typically monitored directly at the high-pressure separator. When salable (combustible) quality gas is measured/detected the gas stream is immediately diverted to the sales pipeline or the well is shut in or a form 42 for flaring will be submitted for approval.</li> <li>• The separated produced water and hydrocarbon liquids (condensate/oil) are directed to specific tanks for storage until being unloaded and hauled to disposal or sales as appropriate.</li> </ul>

Total: 10 comment(s)

### **Applicable Policies and Notices to Operators**

Policy
<p>Notice Concerning Operating Requirements for Wildlife Protection.  <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></p>

### **Attachment Check List**

<b><u>Att Doc Num</u></b>	<b><u>Name</u></b>
400760451	FORM 2 SUBMITTED
401054039	OffsetWellEvaluations Data
401054044	DIRECTIONAL DATA
401054049	DEVIATED DRILLING PLAN
401054050	EXCEPTION LOC REQUEST
401054053	SURFACE AGRMT/SURETY
401059471	WELL LOCATION PLAT
401082533	PROPOSED SPACING UNIT

Total Attach: 8 Files

## General Comments

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

Total: 0 comment(s)

