

FORM
2
Rev
08/16

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:
401079925

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter **Recomplete and Operate**

Date Received:
07/18/2016

TYPE OF WELL OIL GAS COALBED OTHER UIC _____
ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refiling
Sidetrack

Well Name: UWHGS Well Number: #1-17
Name of Operator: WINDY HILL WATER OPERATIONS LLC COGCC Operator Number: 10589
Address: P.O. BOX 18283
City: DENVER State: CO Zip: 80218
Contact Name: F. Lee Robinson Phone: (303)355-3242 Fax: (303)377-9798
Email: leelee1049@yahoo.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20150093

WELL LOCATION INFORMATION

QtrQtr: NWNW Sec: 17 Twp: 3N Rng: 55W Meridian: 6
Latitude: 40.231050 Longitude: -103.563030

Footage at Surface: 760 Feet ^{FNL/FSL} FNL 656 Feet ^{FEL/FWL} FWL

Field Name: UNNAMED Field Number: 85251
Ground Elevation: 4412 County: MORGAN

GPS Data:
Date of Measurement: 03/24/2015 PDOP Reading: 3.9 Instrument Operator's Name: Chris Ansari

If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL
Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

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: No

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.)

Township 3 North, Range 55 West of the 6th Principal Meridian, Section 17: NWNW

Total Acres in Described Lease: 640 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: 644 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 2732 Feet

Above Ground Utility: 735 Feet

Railroad: 5280 Feet

Property Line: 644 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: 4000 Feet

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

Federal or State Unit Name (if appl): _____ Unit Number: N/A

SPACING & FORMATIONS COMMENTS

None

OBJECTIVE FORMATIONS

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| J SAND | JSND | | | |

DRILLING PROGRAM

Proposed Total Measured Depth: 6508 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: 1255 Feet No well belonging to another operator within 1,500 feet

Will a closed-loop drilling system be used? _____

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? _____ (If Yes, attach an H₂S Drilling Operations Plan)

Will salt sections be encountered during drilling? _____

Will salt based (>15,000 ppm Cl) drilling fluids be used? _____

Will oil based drilling fluids be used? _____

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: _____ Drilling Fluids Disposal Methods: _____

Cuttings Disposal: _____ Cuttings Disposal Method: _____

Other Disposal Description:

UWHGS #1-17 is an existing well and no drilling will occur; therefore drilling inputs are N/A.

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 | - | 0 | 30 | 100 | 30 | 0 |
| SURF | 17+1/2 | 13+3/8 | 54.5# | 0 | 355 | 400 | 355 | 0 |
| 1ST | 12+1/4 | 8+5/8 | 32# | 0 | 5993 | 1640 | 5993 | 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 UWHGS #1-17 is an existing well that was previously permitted as Class V UIC through the U.S. EPA. The well was constructed but was never operated as an injection well. Windy Hill would like to re-permit this well as a COGCC Class II Dedicated Injection Well and maintain the well status as temporarily abandoned in the short-term. Windy Hill is submitting as an attachment to this Form 2 a work plan for recompleting this well for injection operations. Windy Hill intends to file Forms 31, 33, and 2A with the COGCC at a later date.

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 313961

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: Nikki Scheinost

Title: Environmental Scientist Date: 7/18/2016 Email: nikki.scheinost@tetrattech.com

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: 10/10/2016

Expiration Date: 10/09/2018

API NUMBER
05 087 08137 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.

| <u>COA Type</u> | <u>Description</u> |
|-----------------|---|
| | The UWHGS # 1-17 is currently Temporarily Abandoned. Upon approval of this Form 2 operator is required to file annual Form 4 - Sundry Notice requesting Continued Temporarily Abandoned Status. Operator is also required to maintain 5-year MIT cycle starting from 12/9/2015-the last MIT. New MITs will be required anytime tubing string and packer are moved or other repairs made to the wellbore. |
| | Before injection is initiated in the UWHGS #1-17 the John A Fries et al (L-2768) #1 (API: 087-05996) well shall be reentered and replugged to current COGCC standards. |
| | When well is going to be developed for underground disposal file Forms 31 and 33. Application should include updated version of hydrologic model generated for Windy Hill #3-17D well (API: 087-08145) UIC application. Based on proposed workover procedure for conversion of this well to a Class II Disposal well, this well will have to pass an MIT before initiating injection. |
| | Operator must provide all Formation Tops encountered from surface to TD on a Form 5 if submitted or on Form 4-Sundry Notice if no Form 5 is needed. |
| | <p>1) The next time the well is entered for a workover operator required to run and submit Cement Bond Log (CBL). Submit with updated Form 5 - Drilling Completion Report if top of cement is not at surface as records indicate. If no Form 5 required submit CBL with Form 4 - Sundry Notice.</p> <p>2) Injection is not authorized until approval of Subsequent versions of Forms 31 and 33.</p> <p>3) Prior approval of Form 4 is required for step rate and injectivity tests and for acid and fracturing jobs (-new as of 4/13/2016).</p> <p>4) Retrieve water sample before stimulating formation.</p> |

Best Management Practices

| <u>No BMP/COA Type</u> | <u>Description</u> |
|------------------------|--------------------|
| | |

Applicable Policies and Notices to Operators

| |
|--|
| Policy |
| Notice Concerning Operating Requirements for Wildlife Protection. http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf |

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|----------------------|
| 401079925 | FORM 2 SUBMITTED |
| 401080062 | WELLBORE DIAGRAM |
| 401080064 | SURFACE AGRMT/SURETY |
| 401080066 | OTHER |

Total Attach: 4 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|--------------------------|
| Permit | Final Review complete - Passed. | 10/7/2016 2:51:13 PM |
| Permit | Initial Permitting review complete. | 10/7/2016 2:48:56 PM |
| Permit | Passed completeness. | 7/25/2016 4:24:18 PM |
| Permit | Notes - SUA, Wellbore Diagram and Recompletion Procedure are attached. | 7/25/2016 4:23:13 PM |
| Permit | Corrections made: -- SHL lat/long/footage corrected to as-built location. No Well Location Plat on file. -- Operator corrected well name on form. | 7/25/2016 4:16:52 PM |
| Permit | Returned to draft: -- SHL lat/long/footage does not match as-built location on Sundry Notice Doc# 400826855 approved 4/17/2015; additionally, the SHL lat/long places the well ~750' north of the existing built Location (313961) on the COGIS map. -- Request verification from operator that the well name will include the API # | 7/21/2016 11:43:11 AM |

Total: 6 comment(s)