

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:

401169541

(SUBMITTED)

Date Received:

12/19/2016

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: East Sauls Creek 26

Well Number: 2-2

Name of Operator: BP AMERICA PRODUCTION COMPANY

COGCC Operator Number: 10000

Address: 380 AIRPORT RD

City: DURANGO

State: CO

Zip: 81303

Contact Name: Naomi Azulai

Phone: (970)3757511

Fax: ()

Email: naomi.azulai@bp.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20010158

WELL LOCATION INFORMATION

QtrQtr: SWSE Sec: 27 Twp: 35N Rng: 6W Meridian: N

Latitude: 37.267586

Longitude: -107.511840

Footage at Surface: 935 Feet FNL/FSL FSL 1670 Feet FEL/FWL FEL

Field Name: IGNACIO BLANCO

Field Number: 38300

Ground Elevation: 7466

County: LA PLATA

GPS Data:

Date of Measurement: 10/10/2016 PDOP Reading: 2.0 Instrument Operator's Name: KENNETH E. REA

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

Footage at Top of Prod Zone: FNL/FSL FSL 1670 FEL FEL 1268 FSL 710 FEL
Sec: 27 Twp: 35N Rng: 6W Sec: 26 Twp: 35N Rng: 6W

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: oil and gas lease

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.)

See attached mineral lease map.

Total Acres in Described Lease: 2480 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC17340

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1612 Feet
Building Unit: 1612 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 311 Feet
Above Ground Utility: 1789 Feet
Railroad: 5280 Feet
Property Line: 993 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: 0 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 710 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Application to modify the spacing has been filed with the COGCC for the January, 2017 hearing.

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
FRUITLAND COAL	FRLDC			

DRILLING PROGRAM

Proposed Total Measured Depth: 9106 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: _____ Feet ☒ No well belonging to another operator within 1,500 feet

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? Yes

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 608

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE

Drilling Fluids Disposal Methods: Recycle/reuse

Cuttings Disposal: OFFSITE

Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

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
SURF	16	13+3/8	54	0	350	251	350	0
1ST	12+1/4	9+5/8	36	0	2800	515	2800	0
2ND	8+3/4	5+1/2	17	0	9106	1141	9106	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 Although the East Sauls Creek 2-2 well will produce some gas from the Fruitland Coal, it is intended primarily as a dewatering well for East Sauls Creek 2-1 well. As a result, the goal is for these two wells to intersect near their toes either directly or indirectly. Since intersection of these two wells is an acceptable outcome, we have proposed a 0' distance between these well completions. Anti-collision evaluations will be conducted on all other portions of the wellbores to prevent unintended intersections or collisions.

This application is in a Comprehensive Drilling Plan _____ No _____ CDP #: _____

Location ID: 325890

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: Naomi Azulai

Title: Well Permitting Analyst Date: 12/19/2016 Email: naomi.azulai@bp.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**

--	--

Best Management Practices

No **BMP/COA Type** **Description**

1	Drilling/Completion Operations	An open-hole resistivity/gamma ray log was already run on the first well drilled on this pad (Yankee Federal A 1 – API 05-067-07126 – Doc ID 1036260). The intermediate string for this well on the multi-well location will be logged with a cement bond log with cased-hole gamma-ray log from intermediate TD or the deepest depth possible using conventional wireline conveyance into the surface casing.
---	--------------------------------	--

Total: 1 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401169541	FORM 2 SUBMITTED
401170190	DEVIATED DRILLING PLAN
401170192	WELLBORE DIAGRAM
401170195	WELL LOCATION PLAT
401170196	DIRECTIONAL DATA
401170208	OTHER
401170241	MINERAL LEASE MAP

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
		Stamp Upon Approval

Total: 0 comment(s)

Public Comments

No public comments were received on this application during the comment period.

