

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:

401063854

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refiling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Date Received:

10/04/2016

Well Name: Milk Money Well Number: #3
Name of Operator: WIEPKING-FULLERTON ENERGY LLC COGCC Operator Number: 96340
Address: 4600 S DOWNING ST
City: ENGLEWOOD State: CO Zip: 80113
Contact Name: Linda Boone Phone: (720)941-0791 Fax: ()
Email: ldboonepar@aol.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20090067

WELL LOCATION INFORMATION

QtrQtr: NENW Sec: 29 Twp: 10S Rng: 56W Meridian: 6

Latitude: 39.156130

Longitude: -103.687400

Footage at Surface: 366 Feet FNL/FSL FNL 2580 Feet FEL/FWL FWL

Field Name: WILDCAT Field Number: 99999

Ground Elevation: 5520 County: LINCOLN

GPS Data:

Date of Measurement: 10/27/2015 PDOP Reading: 1.9 Instrument Operator's Name: Elijah Frane

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: 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.)

Section 29: ALL

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: 366 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1973 Feet

Building Unit: 1973 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 2580 Feet

Above Ground Utility: 2560 Feet

Railroad: 5280 Feet

Property Line: 366 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: 5280 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: _____

SPACING & FORMATIONS COMMENTS

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CRETACEOUS	CRTC			
MISSISSIPPIAN	MSSP			
PENNSYLVANIAN	PENN			

DRILLING PROGRAM

Proposed Total Measured Depth: 8400 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? No

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: Drilling pit

Other Disposal Description:

Operator will follow the procedure allowed in the attached E&P Waste Management Plan for the handling of drilling fluids and cuttings on crop land.

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	12+1/4	8+5/8	24	0	420	280	420	0
1ST	7+7/8	5+1/2	17	0	8400	410	8400	4500

☒ 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

☐

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 The operator proposes to pool the following locations: T10S R56W Section 20 SE4W4 and S2SE4, Section 29 NE4NW4 and N2NE4. All royalty owners have agreed to the Declaration of Pooling and have signed an Exception Location Request Letter. The Declaration of Pooling has been agreed to by the 100% working interest owner in the well.

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

Location ID: _____

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: Linda Boone

Title: Agent Date: 10/4/2016 Email: ldboonepar@aol.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:  Director of COGCC Date: 2/9/2017

Expiration Date: 02/08/2019

API NUMBER

05 073 06718 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.

COA Type

Description

	Bradenhead tests shall be performed and reported according to the following schedule and Form 17 submitted within 10 days of each test.: 1) All: Within 60 days of rig release, prior to stimulation. 2) Delayed completion: 6 months after rig release, prior to stimulation. 3) All: Within 30 days of first production, as reported on Form 5A.
	1) Provide 48 hour notice prior to spud via electronic Form 42. 2) Set at least 420' of surface casing (5% PTVD). 3) If production casing is set provide cement coverage to at least 200' above the shallowest completed interval or 200' above Marmaton, whichever is shallower and cement across Cheyenne/Dakota interval: (5150'-4500' minimum). Run and submit CBL to verify cemented intervals. 4) If well is a dry hole set plugs at the following depths: 40 sks cement +/- 50' above the Marmaton, 40 sks cement +/- 50' above any DST w/ oil/gas show, 40 sks cement at 5150', 40 sks cement at 4500', 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface casing, cut 4 ft below GL, weld on plate, 5 sks cement each in rat hole and mouse hole.

Best Management Practices

No	BMP/COA Type	Description
1	Storm Water/Erosion Control	<p>BMP Plan Wiepking-Fullerton Energy, L.L.C. 4600 S. Downing St. Englewood, CO 80113 303-789-1798 303-761-9067 (fax) Certification to Discharge Under CDPS General Permit COR-03000 Stormwater Discharges Associated with Construction Certification Number COR 39788</p> <p>Milk Money #3 well T10S, R56W Sec. 29: NE1/4NW1/4 Lincoln County, Colorado</p> <p>Description of Well Site and Construction Area 1-3 acre site with access road for drilling of oil and gas well. Terrain is flat with active dryland farming operations.</p> <p>Prior to construction activities, structural stormwater BMPs will be installed around the perimeter of the disturbance boundary. Once the drill site is constructed, the following structural stormwater BMPs will be installed: Earthen Ditches and Berms and/or Surface roughening/surface rip and/or Sediment Trap with outfall. Additionally, the following BMPs to be utilized (if needed) may include, but are not limited to: Erosion control blankets Straw bale barrier Straw wattle Check dams Culvert/Culvert protection Silt fence</p> <p>A copy of the Stormwater Management Plan (SWMP) in reference to CDPHE permit No. COR039788 is located at the field office located at 46945 Co. Rd. 26, Limon, Colorado 80828. Reclamation activities will be performed per the COGCC 1000 Series Rules.</p> <p>Spill Prevention, Control and Countermeasure Plan is on file in Wiepking-Fullerton Energy, L.L.C. office</p>
2	Drilling/Completion Operations	<p>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.</p>

Total: 2 comment(s)

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>
401063854	FORM 2 SUBMITTED
401072657	TOPO MAP
401072660	TOPO MAP
401072662	WELL LOCATION PLAT
401100171	OTHER
401100173	30 DAY NOTICE LETTER
401100174	WASTE MANAGEMENT PLAN
401100197	SURFACE AGRMT/SURETY
401123247	EXCEPTION LOC WAIVERS
401123253	OTHER

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	02/06/2017
Permit	Changed Waste Management Program to Commercial Disposal for the drilling fluids. Per operator request, changed the distance from the well to the nearest aboveground utility to 2560 feet.	02/06/2017
Engineer	Changed surface casing depth from 300' to 420' (5% TPVD), increased cement quantity proportionately. Changed 5.5" cement top from 5500' to 4500' (100' above Dakota), increased cement quantity proportionately.	11/22/2016
LGD	COUNTY PERMIT NUMBER 1604	10/26/2016
Permit	Revised distance to nearest building unit, per operator request. Revised total acres in described lease, per operator request. Passed completeness	10/25/2016
Permit	1) Check total acres in described lease. 2) Check distance to nearest building unit.	10/25/2016
Permit	Returned to draft for operator to make corrections.	10/12/2016

Total: 7 comment(s)