

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:  
401244519

APPLICATION FOR PERMIT TO:

Drill  Deepen  Re-enter  Recomplete and Operate

Date Received:  
04/03/2017

TYPE OF WELL OIL  GAS  COALBED  OTHER \_\_\_\_\_  
ZONE TYPE SINGLE ZONE  MULTIPLE ZONES  COMMINGLE ZONES

Refiling   
Sidetrack

Well Name: Nichols Well Number: 0994-13-18E  
Name of Operator: LARAMIE ENERGY LLC COGCC Operator Number: 10433  
Address: 1401 SEVENTEENTH STREET #1400  
City: DENVER State: CO Zip: 80202  
Contact Name: Wayne P Bankert Phone: (970)812-5310 Fax: ( )  
Email: wbankert@laramie-energy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20120081

WELL LOCATION INFORMATION

QtrQtr: SWNE Sec: 24 Twp: 9S Rng: 94W Meridian: 6  
Latitude: 39.264736 Longitude: -107.830519

Footage at Surface: 1770 Feet FNL/FSL FNL 2772 Feet FEL/FWL FEL

Field Name: BRUSH CREEK Field Number: 7562  
Ground Elevation: 7137 County: MESA

GPS Data:  
Date of Measurement: 08/30/2016 PDOP Reading: 1.4 Instrument Operator's Name: Cody Rich

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

Footage at Top of Prod Zone: FNL/FSL FNL/FWL Bottom Hole: FNL/FSL FEL/FWL  
852 FSL 1520 FEL 852 FSL 1520 FEL  
Sec: 13 Twp: 9S Rng: 94W Sec: 13 Twp: 9S Rng: 94W

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.)

SW, W2SE Sec. 13, T9S, R94W, 6th PM Mesa County, CO

Total Acres in Described Lease: 240 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: 23 Feet

**CULTURAL DISTANCE INFORMATION**

Distance to nearest:

Building: 2122 Feet  
 Building Unit: 5280 Feet  
 High Occupancy Building Unit: 5280 Feet  
 Designated Outside Activity Area: 5280 Feet  
 Public Road: 315 Feet  
 Above Ground Utility: 353 Feet  
 Railroad: 5280 Feet  
 Property Line: 439 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: 512 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 852 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.)
MESAVERDE	MVRD	429-4	160	Sec 13 SE/4

## DRILLING PROGRAM

Proposed Total Measured Depth: 8364 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 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? 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: Recycle/reuse

Cuttings Disposal: ONSITE Cuttings Disposal Method: Other

Other Disposal Description:

Due to character limit (255), See submittal comments for Drilling Waste Management

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
CONDUCTOR	26	16	112	0	60	70	60	0
SURF	11	8+5/8	24.0	0	1530	306	1530	0
1ST	7+7/8	4+1/2	11.6	0	8364	1348	8364	1030

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

Disposal Description: (Drilling Waste Management)  
PE plans to drill the wells within this project boundary with a dewatering system with no need for a reserve pit. Drilling fluids are recycled and re-used with cuttings being de-watered and captured in a catch pan, stacked in a cuttings management area and allowed to dry. Once the cuttings are dry and satisfy the COGCC for rule 910 analytics, the cuttings will be stacked along the cut slope then buried and covered with a minimum of 3 feet of cover. This operation will occur after the completion of the wells.

This application is in a Comprehensive Drilling Plan No 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: Wayne P Bankert

Title: Reg. & Env. Manager Date: 4/3/2017 Email: wbankert@laramie-energy.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: 5/25/2017

Expiration Date: 05/24/2019

API NUMBER

05 077 10411 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

	<p>1)Operator shall comply with the most current revision of the Northwest Colorado Notification Policy.</p> <p>2)Operator shall provide cement coverage from the production casing shoe (4+1/2" FIRST STRING) to a minimum of 200' above the Lower Wasatch (as defined by COGCC in the report "Casing and Cement Standards for Geologic Isolation Piceance Basin Bradenhead Monitoring Area and Nearby Fields," dated April 18, 2016, COGCC Document No. 2056199, Appendix A Field Scout Cards and Annotated Type Logs) to provide isolation of the Lower Wasatch, all Mesaverde Group formations including the Ohio Creek Formation, and underlying formations, if penetrated. Verify production casing cement coverage with a cement bond log. This requirement shall supersede the top of cement requirements in the Mamm Creek Field Notice to Operators.</p>
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## Best Management Practices

### No BMP/COA Type

### Description

1	Drilling/Completion Operations	<p>One of the first wells drilled on the pad will be logged open-hole with a triple combo log (HRI w/ SP,GR, CAL and Spectral Density/Dual Spaced Neutron) from TD into the surface casing. All wells on the pad will have a radial analysis bond log with gamma ray run on production casing from TD to surface after rig moves off pad. All wells not logged with an open hole log will have a cased hole NEO neutron emulated open hole log run from TD to surface. 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>
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Total: 1 comment(s)

## Applicable Policies and Notices to Operators

Policy
NW Colorado Notification Policy. <a href="http://cogcc.state.co.us/documents/reg/Policies/nw_notification_procedures.pdf">http://cogcc.state.co.us/documents/reg/Policies/nw_notification_procedures.pdf</a>
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>

## Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2168253	SURFACE AGRMT/SURETY
401244519	FORM 2 SUBMITTED
401244791	DIRECTIONAL DATA
401244903	DEVIATED DRILLING PLAN
401244905	DRILLING PLAN
401245237	WELL LOCATION PLAT

Total Attach: 6 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Attached SUA as per operator. Corrected Right to Construct from lease to SUA as per operator. Final review complete.	05/25/2017
Permit	Added distance to unit boundary of 852' as directed by operator. Removed comment in spacing & formations section that doesn't apply to wells landing in Sec 13, with operator approval. Changed the unit description from SE S13 to Sec 13 SE/4 with operator approval.	05/17/2017
Engineer	Offset Well Evaluation: Existing offset oil and gas wells within 1,500 feet of this wellbore meet standards. No mitigation required.  Offset water well check: COGCC evaluated offset water wells within one mile of this proposed well's surface hole location. This information was used in addition to locally-available geophysical logs and hydrogeologic information to evaluate the adequacy of the operator's proposed surface casing setting depth. The deepest water well within one mile is 300 feet.	04/17/2017
Permit	Form passes completeness.	04/12/2017

Total: 4 comment(s)