

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:

401319135

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 ☐

Date Received:

06/27/2017

Well Name: Bird Well Number: 13-18
Name of Operator: AUSCO PETROLEUM INC COGCC Operator Number: 10412
Address: 113 N SANTA FE AVENUE
City: FLORENCE State: CO Zip: 81226
Contact Name: Aaron J Goss Phone: (303)495-0327 Fax: ()
Email: agoss@austinxploration.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20120088

WELL LOCATION INFORMATION

QtrQtr: NWSW Sec: 18 Twp: 20S Rng: 69W Meridian: 6

Latitude: 38.306211

Longitude: -105.160133

Footage at Surface: 1767 Feet FNL/FSL FSL 638 Feet FEL/FWL FWL

Field Name: WILDCAT Field Number: 99999

Ground Elevation: 6071 County: FREMONT

GPS Data:

Date of Measurement: 06/22/2017 PDOP Reading: 1.4 Instrument Operator's Name: C. Stewart

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
1767 FSL 638 FWL 1232 FSL 897 FWL
Sec: 18 Twp: 20S Rng: 69W Sec: 18 Twp: 20S Rng: 69W

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.)

See attached description. This 10,431 acre leasehold is a single lease.

Total Acres in Described Lease: 10431 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: 2050 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 522 Feet
Building Unit: 1515 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 1070 Feet
Above Ground Utility: 4440 Feet
Railroad: 5280 Feet
Property Line: 150 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: 3704 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.)
PIERRE	PRRE			

DRILLING PROGRAM

Proposed Total Measured Depth: 4659 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: ONSITE Drilling Fluids Disposal Methods: Evaporation

Cuttings Disposal: ONSITE Cuttings Disposal Method: Drilling pit

Other Disposal Description:

Pit (30' x 60') will be lined with 30 mil liner.

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	17+1/2	13+3/8	54.5	0	80	10	80	0
SURF	12+1/4	8+5/8	23	0	1000	450	1000	0
1ST	8+3/4	5	11.5	0	4659			

☐ 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 _____

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: Aaron J Goss

Title: Executive VP/GM-Colorado Date: 6/27/2017 Email: agoss@austineexploration.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: 7/28/2017

Expiration Date: 07/27/2019

API NUMBER

05 043 06230 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

	Note changes to submitted form. 1) Provide 48 hour notice prior to spud via electronic Form 42. 2) Note increased surface casing cement quantity. Cement surface casing from bottom of casing to surface. If cement level falls perform annular fill and cement to surface. See Comments and Rule 317.i. 3) If well is a dry hole, set 50 sks cement ½ out, ½ in surface casing, 15 sks cement from 50' to surface in surface casing, cut casing 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole.
--	--

Best Management Practices

No	BMP/COA Type	Description
1	General Housekeeping	Materials and fluids will be stored neat and orderly. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. Prompt cleanup of spills will be required to minimize any commingling of waste materials with stormwater runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling. There will be no major equipment overhauls conducted onsite. Cleanup will consist of patrolling the roadways, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly.
2	Storm Water/Erosion Control	A berm and containment plan will be built to make sure anything downgrade is not reached. If necessary, this plan will include, using steel ring berms keyed into a synthetic liner around production facilities and additional BMP's will include tertiary containment along the cross and down gradient parameters of the location
3	Dust control	Operator will apply appropriate measures to ensure dust control and mitigate potential impacts resulting from dust emissions.
4	Drilling/Completion Operations	Gamma Ray Log will be run while drilling the directional hole along with mud logging. A cement bond log with Gamma Ray will be run on surface string. The Form 5, Completion Report, will list all logs run and have those logs attached.

Total: 4 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

Att Doc Num	Name
2478311	SURFACE AGRMT/SURETY
401319135	APD APPROVED
401327049	LEGAL/LEASE DESCRIPTION
401327458	DIRECTIONAL DATA
401327503	DEVIATED DRILLING PLAN
401327683	WELL LOCATION PLAT
401357828	FORM 2 SUBMITTED
401358716	PUBLIC COMMENT-0

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	07/28/2017
Engineer	Casing: Proposed cement quantity for surface casing appears to be inadequate. Increased cement quantity for 1000' surface casing from proposed of 105 sks to 450 sks (1.15 cf/sk yield, 25% excess).	07/18/2017
Permit	Per operator: 1) Corrected distance to nearest lease line (2050' due E to center line of section). 2) Redact payment amounts in SUA. Operator submitted redacted SUA 7/28/2017 and this document is now attached to the Form 2/2A.	07/17/2017
Permit	Passed completeness.	06/29/2017
Permit	Returned to draft per operator request.	06/27/2017

Total: 5 comment(s)