

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:

401417486

## APPLICATION FOR PERMIT TO:

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

Date Received:

11/28/2017

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER \_\_\_\_\_Refilling ☐ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☐

Well Name: BHR Fed

Well Number: J22-15-397-4RH

Name of Operator: AUGUSTUS ENERGY PARTNERS II LLC

COGCC Operator Number: 10591

Address: 2016 GRAND AVENUE SUITE A

City: BILLINGS State: MT Zip: 59102

Contact Name: Duane Zimmerman

Phone: (406)294-5990

Fax: (406)294-5992

Email: dzimmerman@augustusenergy.com

## RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20150098

## WELL LOCATION INFORMATION

QtrQtr: NWSE Sec: 22 Twp: 3N Rng: 97W Meridian: 6

Latitude: 40.212032

Longitude: -108.259757

Footage at Surface: 1762 Feet FNL/FSL FSL 1333 Feet FEL/FWL FEL

Field Name: WILDCAT

Field Number: 99999

Ground Elevation: 5938

County: RIO BLANCO

GPS Data:

Date of Measurement: 10/10/2017 PDOP Reading: 1.4 Instrument Operator's Name: K.G. Stewart

If well is ☐ Directional ☒ Horizontal (highly deviated) submit deviated drilling plan.
 Footage at Top of Prod Zone: FNL/FSL FSL 2310 FEL 600 FNL 2310 FEL  
 Sec: 22 Twp: 3N Rng: 97W Sec: 15 Twp: 3N Rng: 97W

## LOCATION SURFACE &amp; MINERALS &amp; RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ IndianThe 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.)

The lease below the SHL is:  
Sec. 22, T3N, R97W: E/2SW/4, SE/4  
Sec. 23, T3N, R97W: NW/4SW/4, S/2S/2  
Sec. 24, T3N, R97W: SW/4  
Sec. 26, T3N, R97W: NE/4NE/4, SW/4

Total Acres in Described Lease: 800 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: 0 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 4575 Feet  
Building Unit: 5280 Feet  
High Occupancy Building Unit: 5280 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 318 Feet  
Above Ground Utility: 5280 Feet  
Railroad: 5280 Feet  
Property Line: 877 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: 1320 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 3040 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): Wiley Unit Number: COC75390X

## SPACING & FORMATIONS COMMENTS

The nearest well currently being drilled is approximately 50 feet east of this proposed well on the same well pad within the Wiley Unit. This is the second well on the well pad. The nearest unit boundary is in the SW/4 corner of Sec. 22, T3N, R97W.

## OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
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NIOBRARA	NBRR			
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## DRILLING PROGRAM

Proposed Total Measured Depth: 19658 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? Yes

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: Cuttings trench

Other Disposal Description:

Cuttings may be disposed at a commercial disposal facility.

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	20	16	75	0	80		80	0
SURF	13+1/4	9+5/8	36	0	3300	861	3300	0
1ST	8+3/4	7	29	0	9346	568	9346	3100
1ST LINER	6	4+1/2	13.5	9100	19658	576	19658	8900

☐ 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 \_\_\_\_\_ No \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: 430927

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: Pascual Laborda

Title: Permitting & Regulatory Date: 11/28/2017 Email: plaborda@augustusenergy.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: 12/29/2017

Expiration Date: 12/28/2019

**API NUMBER**

05 103 12295 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**

	1)Operator shall comply with the most current revision of the Northwest Notification Policy.
	2)Operator shall provide cement coverage from the intermediate casing shoe (7" FIRST STRING) to a minimum of 200' above the surface casing shoe to provide isolation of all Cretaceous (including Mesaverde Group) oil, gas, and water-bearing sandstone and coalbed formations that are not otherwise covered by surface casing. Verify intermediate casing cement coverage with a cement bond log.

## Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	The pilot well, BHR Fed J22-15-397-2RH, was drilled on the BHR J22-397 well pad and logged with an open-hole resistivity log with gamma-ray from TD into the intermediate casing. The subsequent well BHR Fed J22-15-397-4RH on the well pad will have a cement bond log with gamma-ray run on the intermediate casing. The BHR Fed J22-15-397-4RH well will have the horizontal portion of the wellbore logged with a measured-while drilling log with gamma-ray.

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>
401417486	APD APPROVED
401443022	MULTI-WELL PLAN
401443026	WELL LOCATION PLAT
401468754	DRILLING PLAN
401468763	WELLBORE DIAGRAM
401468764	DIRECTIONAL DATA
401468767	DEVIATED DRILLING PLAN
401476452	OffsetWellEvaluations Data
401498563	FORM 2 SUBMITTED
401499413	PUBLIC COMMENT-0

Total Attach: 10 Files

## General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	The location and one of the two wells was approved on 12/9/17, in order for construction of the pad to begin. There is no change in the proposed pad information including waste management. Final review complete.	12/28/2017
Permit	Corrected distance to unit boundary from 1756' to 3040' as per operator. Added related 2A to the related forms section as per operator. Preliminary review complete.	12/19/2017
Engineer	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.  COGCC's geologic map indicates the Wasatch Formation is at the surface at this location. Proposed surface casing setting depth of 3300 feet will not provide full coverage of the Mesaverde Group based on Operator's geologic prognosis. Minimum cement coverage requirements are specified in Condition of Approval #2.  Offset Well Evaluation: Existing offset oil and gas wells within 1,500 feet of this wellbore meet standards. No mitigation required.	12/15/2017
Permit	Passed Completeness.	12/05/2017
Permit	Returned to draft for: - "Offset Wells Evaluation" tab: missing wellbore integrity contact email - "Related Forms" tab: this is blank, but the "Is this application being submitted with an Oil and Gas Location Assessment application?" is listed as "YES"	12/05/2017

Total: 5 comment(s)