

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:

400824279

APPLICATION FOR PERMIT TO:

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

Date Received:

10/30/2015

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Whittaker Flats

Well Number: 12-16CH

Name of Operator: BLACK HILLS PLATEAU PRODUCTION LLC

COGCC Operator Number: 10150

Address: 1515 WYNKOOP ST STE 500

City: DENVER State: CO Zip: 80202

Contact Name: Jessica Donahue

Phone: (720)210-1333

Fax: (303)566-3344

Email: Jessica.Donahue@blackhillscorp.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: SESE Sec: 12 Twp: 9S Rng: 98W Meridian: 6

Latitude: 39.281130

Longitude: -108.272940

Footage at Surface: 324 Feet FNL/FSL FSL 733 Feet FEL/FWL FEL

Field Name: BRONCO FLATS

Field Number: 7563

Ground Elevation: 5081

County: MESA

GPS Data:

Date of Measurement: 02/14/2015 PDOP Reading: 1.5 Instrument Operator's Name: Cotton D. Jones

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

463 FNL 605 FEL 629 FSL 648 FEL
Sec: 13 Twp: 9S Rng: 98W Sec: 24 Twp: 9S Rng: 98W

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: Right of Way

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.)

E2, E2W2 S13; Lots 1-3, 6-16 S24 T9S R98W

Total Acres in Described Lease: 1016 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC055607

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

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 733 Feet

Above Ground Utility: 5280 Feet

Railroad: 5129 Feet

Property Line: 733 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: 1306 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 463 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): Whittaker Flats Unit Number: COC075609X

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.)
MANCOS	MNCS			

DRILLING PROGRAM

Proposed Total Measured Depth: 16008 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? 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: Cuttings trench

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
CONDUCTOR	30	20	Line	0	120	320	120	0
SURF	13+1/2	10+3/4	40.5	0	1000	304	1000	0
1ST	9+7/8	7+5/8	29.7	0	5634	432	5634	800
2ND	6+3/4	5+1/2	17	0	6100		6100	5434
TAPER	6+3/4	4+1/2	11.6	6100	16008	1290	16008	6100

☐ 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 well is located on a federal lease that is not committed to the Whittaker Flats Unit, therefore the minerals below the location will not be produced by this well. The location is located just to the north of the unit boundary; a ROW will be obtained from BLM prior to construction.

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: Jessica Donahue

Title: Regulatory Technician Date: 10/30/2015 Email: Jessica.Donahue@blackhillscor

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: 2/3/2018

Expiration Date: 02/02/2020

API NUMBER

05 077 10551 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. See attached notice.
2) Operator shall provide cement coverage from the intermediate casing shoe (7+5/8" first string) to a minimum of 200' above all Mesa Verde Group (and Ohio Creek Formation, if present) oil, gas, and water-bearing sandstone and coalbed formations. 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	One of the first wells drilled on the pad will be logged with open-hole Resistivity Log and Gamma Ray Log from the kick-off point into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. 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 & number) the well in which open-hole logs were run.

Total: 1 comment(s)

Applicable Policies and Notices to Operators

Policy
NW Colorado Notification Policy. http://cogcc.state.co.us/documents/reg/Policies/nw_notification_procedures.pdf
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>
2168143	WELL LOCATION PLAT
2168144	DEVIATED DRILLING PLAN
400824279	FORM 2 SUBMITTED
400908611	OffsetWellEvaluations Data
400908615	DRILLING PLAN
400929066	DIRECTIONAL DATA
401071143	DIRECTIONAL DATA
401534847	OFFSET WELL EVALUATION

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Final Review	Removed "Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells," submitted by operator as "1,290 feet" (distance to nearest permitted Black Hills lateral on this pad), and checked box labeled "No well belonging to another operator within 1,500 feet." Cement for Second String is included with the total volume shown for "Taper" (1,300 sacks for both lines in the Casing Program).	02/03/2018
Permit	Final review complete. Ready for final approval.	09/08/2016
Permit	Attached new Deviated Drilling Plan and Well Location Plat and reloaded Directional Data spreadsheet as per operator.	06/30/2016
Permit	Requested location plat and deviated drilling plan.	06/13/2016
Permit	Emailed operator regarding new deviated drilling plan and well location plat that moves TOPZ to legal location. Operator has requested that the Form 2A and the other 2 wells be approved without the third well.	05/09/2016
Permit	Corrected cultural distance to property line and public road from 483' to 733' with operator approval. Putting this form back on hold to wait for new deviated drilling plan and well location plat that moves TOPZ to legal location.	05/03/2016
Permit	Form put back to In Process. Approved Federal APD is attached to the Form 2A. Cultural footages have been changed on the Form 2A and will need to be adjusted on the Form 2's. Operator notified and information requested due to TOPZ is not 600' from unit boundary.	05/02/2016
Permit	Emailed operator with deadline of 4/20/2016 to produce the requested Right of Way to move the form back to in process, or withdraw until form can be accurately submitted.	04/13/2016
Permit	Requested update on missing information and asked to put forms on hold until it is received. Putting forms on hold.	03/21/2016
Permit	Form 2A is in process. Wells are not producing from the surface BLM lease, therefore we requested Right of Way. TOPZ is 463 and will need correcting in order to meet state wide setbacks. Requested new well location plat and DS.	12/22/2015
Permit	Emailed operator regarding the Form 2A that is still in draft.	12/02/2015
Permit	Form 2A is in draft. Removed plugging bond due to Federal Lease.	11/10/2015
Engineer	Evaluated offset wells within 1500'. Offset wells did not penetrate the Mancos. No mitigation required. Offset water well check: There are no permitted water wells within 1 mile of this proposed surface hole location. Moved cement information from 2nd string to taper row on casing tab.	11/10/2015
Permit	Passed completeness.	11/02/2015
Permit	Returned to draft: Directional drilling data did not import into system. Formatting on Directional Data template does not conform to guidance. Please refer to guidance to complete directional data template.	11/02/2015

Total: 15 comment(s)