

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:

401482281

APPLICATION FOR PERMIT TO:

☒ Drill
 ☐ Deepen
 ☐ Re-enter
 ☐ Recomplete and Operate
TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____Refilling ☒

Date Received:

05/08/2018

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☐

Well Name: Seltzer LD

Well Number: 21-037HN

Name of Operator: GREAT WESTERN OPERATING COMPANY LLC

COGCC Operator Number: 10110

Address: 1001 17TH STREET #2000

City: DENVER State: CO Zip: 80202

Contact Name: Natalie Svendsen

Phone: (303)398-0394

Fax: ()

Email: nsvendsen@gwogco.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20160041

WELL LOCATION INFORMATION

QtrQtr: NWNE Sec: 4 Twp: 1S Rng: 67W Meridian: 6

Latitude: 39.999360

Longitude: -104.892421

Footage at Surface: 363 Feet FNL/FSL FNL 2250 Feet FEL/FWL FEL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 5142

County: ADAMS

GPS Data:

Date of Measurement: 04/19/2018 PDOP Reading: 1.4 Instrument Operator's Name: James Freshwater, NW

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

 470 FNL 863 FEL 410 FNL 861 FEL
 Sec: 4 Twp: 1S Rng: 67W Sec: 21 Twp: 1S Rng: 67W

LOCATION SURFACE & MINERALS & 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.)

T1S – R67W Sec.9 W/2, W2E2

Total Acres in Described Lease: 480 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: 744 Feet
Building Unit: 1091 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 351 Feet
Above Ground Utility: 336 Feet
Railroad: 5280 Feet
Property Line: 363 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: 120 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 470 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Sec 4: E2
Sec 9: E2
Sec 16: E2
Sec 21: N2NE

PSU Attached

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR		1040	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 23925 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: 120 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? 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 318A

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

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	13+1/2	9+5/8	36	0	1700	707	1700	0
1ST	8+1/2	5+1/2	17	0	23925	3137	23925	0

☒ 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	<p>Refile APD - Every aspect of the wellbore is changing including the well name, drilling and casing program, offset well evaluation, and Attachments.</p> <p>The State of Colorado Y #1 (API# 05-001-06234) operated by Kerr McGee Oil & Gas Onshore LP is the nearest well in the same formation. The distance was measured in 3D.</p> <p>The nearest wellbore belonging to another operator was measured to State of Colorado Y #1 (API# 05-001-06234) operated by Kerr McGee Oil & Gas Onshore LP. The distance was measured in 3D. The well is in PR status.</p>
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This application is in a Comprehensive Drilling Plan No CDP #: _____

Location ID: 320515

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: Natalie Svendsen

Title: Regulatory Analyst Date: 5/8/2018 Email: regulatorypermitting@gwogco.c

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: 9/25/2018

Expiration Date: 09/24/2020

API NUMBER

05 001 09959 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

	Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operation (dated January 5, 2017).
	If conductors are preset, Operator shall comply with Notice to Operators: Procedures for Preset Conductors (dated September 1, 2016, revised October 6, 2016).
	<p>In the Form 5A comments, operator will (1) certify that this well has no treated interval within 150' of the treated interval of another operator's well for which a signed Stimulation Setback Consent was not obtained, (2) provide the following information for all other operator's offset wells without consent that have a treated interval within 150' of this as-drilled wellbore: well name and API number, depth of the perforation in this well nearest to the treated interval of the offset well, and the distance between the wells at that depth, and (3) address the wells listed below as either (a) obtained consent or (b) treated interval more than 150' away from this as-drilled wellbore.</p> <p>001-06234, STATE OF COLORADO Y 1</p>
	<p>1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU (spud notice) for the first well activity with a rig on the pad and provide 48 hour spud notice via Form 42 for all subsequent wells drilled on the pad.</p> <p>2) Comply with Rule 317.j. and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with cement bond log.</p> <p>3) Oil-based drilling fluid is to be used only after setting surface casing.</p> <p>Bradenhead tests shall be performed and reported according to the following schedule and Form 17 submitted within 10 days of each test:</p> <p>1) Within 60 days of rig release, prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation.</p> <p>2) 6 months after rig release, prior to stimulation (delayed completions).</p> <p>3) Within 30 days of first production, as reported on Form 5A.</p>

Best Management Practices

No	BMP/COA Type	Description
1	Drilling/Completion Operations	Conventional drill stem tests will not be conducted on DJ Basin horizontal wells currently being executed or planned by GWOC. If plans change in the future a well specific drill stem testing plan will be prepared for that particular well. Note that GWOC may elect to use one of several available wireline deployed tools for the purpose of measuring down hole formation pressures and/or collecting down hole fluid samples from the target formation(s) of a particular well.
2	Drilling/Completion Operations	GWOC shall identify the location of the P&A wellbore with a permanent monument as specified in Rule 319.a.(5). The operator shall also inscribe or imbed the well number and date of plugging upon the permanent monument. P&A wellbores shall be cutoff well below ground surface in agricultural areas to provide for landowners to safely farm the reclaimed well area.
3	Drilling/Completion Operations	Prior to drilling operations, GWOG will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed well path with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottom hole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment.
4	Drilling/Completion Operations	GWOG shall obtain signed written consent for any portion of the proposed wellbore's treated interval within 150' of an existing (producing, Shut-in, or temporarily abandoned) or permitted oil and gas well's treated interval belonging to another operator prior to completion of the well.
5	Drilling/Completion Operations	A BOPE with a minimum pressure rating of 3,000 psi will be utilized. At a minimum it will consist of 2 ram preventers and 1 annular preventer. The blind rams will be positioned below the pipe rams. A backup system of pressure control will be onsite consisting of at a minimum 1,000 psi accumulator (backup pressure). Accumulator is tested to 1,000 psi. Operator may use fixed sized pipe rams matching the tubular size. The annular preventer will be pressure tested to 250 psi low and 2,000 psi high for 10 minutes each. The ram preventers will be tested to 250 psi low and 2,500 psi high for 10 minutes each. All remaining well control equipment will be tested to 250 psi low and 2,500 psi high for 10 minutes each. The pressure tests will be conducted when the equipment is first installed and every 30 days thereafter. Pipe rams and blind rams will be function tested before every well service operation. Annual BOP inspections and pressure tests will be performed by the service company and will be charted & retained for 1 year. Backup stabbing valves shall be used on operations that require reverse circulation. Valves will be pressure tested before each well service operation in low pressure and high pressure range. The GWOC onsite representative will be certified in Well Control Operations by a Well-Cap certified training service.
6	Drilling/Completion Operations	GWOC will comply with the "COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area", dated May 29, 2012
7	Drilling/Completion Operations	One of the first wells drilled on the pad will be logged with an open-hole Resistivity 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 (intermediate casing or production liner if run) to the surface casing. The horizontal portion of every well will be logged with a MWD/GR 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 an open hole log shall clearly state "No open-hole logs were run" and shall clearly identify (by API#, well name and number) the well in which open-hole logs were run.

Total: 7 comment(s)

Applicable Policies and Notices to Operators

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>
401482281	FORM 2 SUBMITTED
401501127	OffsetWellEvaluations Data
401629424	DIRECTIONAL DATA
401629427	WELL LOCATION PLAT
401629434	PROPOSED SPACING UNIT
401629437	MINERAL LEASE MAP
401629439	DEVIATED DRILLING PLAN
401629440	EXCEPTION LOC REQUEST
401629441	EXCEPTION LOC WAIVERS
401773422	OFFSET WELL EVALUATION

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete. 2A already approved.	09/24/2018
Engineer	001-09379, EHLER 44-4 Jsand only completion	09/15/2018
Permit	Status Active - corrections made with operator concurrence: - changed well status to REFILE, added API# and Refile comment. - operator confirmed BHL is not beyond unit setback; comment deleted. Permitting review complete.	08/17/2018
Permit	Status Pending: - delete comment on Submit tab regarding BHL beyond unit setback. - request operator use existing API# and change this APD to a refile.	08/10/2018
Permit	Passed Completeness.	05/14/2018

Total: 5 comment(s)