

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:

401637033

APPLICATION FOR PERMIT TO:

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

Date Received:

08/24/2018

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____Refiling ☐ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☐

Well Name: Wells Ranch State

Well Number: AA36-654

Name of Operator: NOBLE ENERGY INC

COGCC Operator Number: 100322

Address: 1001 NOBLE ENERGY WAY

City: HOUSTON State: TX Zip: 77070

Contact Name: Holly Hill

Phone: (303)228 4232

Fax: ()

Email: CDPNBLPermitting@nblenergy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20030009

WELL LOCATION INFORMATION

QtrQtr: NWSW Sec: 32 Twp: 6N Rng: 62W Meridian: 6

Latitude: 40.441790

Longitude: -104.353800

Footage at Surface: 2121 Feet FNL/FSL FSL 817 Feet FEL/FWL FWL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 4727

County: WELD

GPS Data:

Date of Measurement: 08/08/2017 PDOP Reading: 1.7 Instrument Operator's Name: David Brandon

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
 2440 FNL 790 FWL 2385 FNL 395 FEL
 Sec: 32 Twp: 6N Rng: 62W Sec: 35 Twp: 6N Rng: 63W

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.)

T6N-R62W, 6th P.M.,
Sec. 32: All

Total Acres in Described Lease: 640 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: 5280 Feet
Building Unit: 5280 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 5280 Feet
Above Ground Utility: 5280 Feet
Railroad: 5280 Feet
Property Line: 817 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: 73 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 548 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Proposed Spacing Unit = T6N-R62W, 6th P.M.,
Sec. 31: S/2N/2, N/2S/2,
Sec. 32: SW/4NW/4, NW/4SW/4,
T6N-R63W, 6th P.M.,
Sec. 35: SE/4NE/4, NE/4SE/4,
Sec. 36: S/2N/2, N/2S/2

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		800	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 18359 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: 138 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
CONDUCTOR	26	16	42	0	80	144	80	0
SURF	13+1/2	9+5/8	36	0	1850	658	1850	0
1ST	8+1/2	5+1/2	20	0	18359	2015	18359	

☐ 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

Well is part of the 14-well AE32-05 Multi (Doc #401636962), consisting of the seven (7) existing Wells Ranch AE32-670 (API: 05-123-41722), Wells Ranch AE32-635 (API: 05-123-41725), Wells Ranch AE32-665 (API: 05-123-41726), Wells Ranch AE32-640 (API: 05-123-41727), Wells Ranch AE32-645 (API: 05-123-41728), Wells Ranch AE32-650 (API: 05-123-41729), Wells Ranch AE32-655 (API: 05-123-41730); the seven (7) proposed Wells Ranch State AA36-622 (Doc #401637106), Wells Ranch State AA36-633 (Doc #401637067), Wells Ranch State AA36-643 (Doc #401637050), Wells Ranch State AA36-654 (Doc #401637033), Wells Ranch State AA36-664 (Doc #401637008), Wells Ranch State AA36-673 (Doc #401636997), Wells Ranch State AA36-683 - Ref. Well (Doc #401636981); with the production facilities within the disturbance. Noble Energy shall isolate both the Fox Hills and Upper Pierre Aquifers with surface casing from hydrocarbon bearing zones and exposure to oil based drilling fluid. Noble Energy also agrees to not expose the UPAq to oil based mud.

The closest wellbore in the same formation is the Wells Ranch USX AE31-99HZ (API: 05-123-30904) SI Status.

Nearest non-op is the Wells Ranch 36O (API: 05-123-31202) PR Status. Noble will not be completing within 150' of this offset well inside of the producing interval. Noble will not stimulate between 15063'-15363' TMD.

Wellbore to wellbore distances populated from attached anti-collision report unless otherwise indicated.

317.p open hole logging exception previously approved for this location. For the wells located in the NWSW of Section 32, this exception cited API 123-29065, Wells Ranch US AE31-09P as having an open hole resistivity log with gamma ray. This well is located within 1500' directly west. Also cited in the 317.p BMP on this APD is API 123-30489, Wells Ranch AE 32-05 which has an open hole resistivity log with gamma ray and is located approximately 1150' north of the southern proposed wells on this location.

This application is in a Comprehensive Drilling Plan No CDP #: _____

Location ID: 413969

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: Ann Feldman

Title: Regulatory Manager Date: 8/24/2018 Email: CDPNBLPermitting@nblenergy

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: 10/16/2018

Expiration Date: 10/15/2020

API NUMBER

05 123 48161 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>Bradenhead tests shall be performed and reported according to the following schedule and Form 17 submitted within 10 days of each test.:</p> <ol style="list-style-type: none">1) Within 60 days of rig release, prior to stimulation.2) 6 months after rig release, prior to stimulation.3) Within 30 days of first production, as reported on Form 5A.
	<ol style="list-style-type: none">1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU (Spud Notice), for the first well/activity on the pad and provide 48 hour spud notice for all subsequent wells drilled on the pad.2) Comply with Rule 317.j and provide cement coverage from the end of production casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.3) Oil-based drilling fluid is to be used only after all aquifers are covered.
	<p>Operator will submit signed Rule 317.s Stimulation Setback Consents via Sundry Notice, Form 4 prior to stimulation of this well.</p> <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>Wells Ranch 36O (API NO 123-31202)</p>
	<p>Operator acknowledges the proximity of the listed wells: Operator agrees to: provide mitigation option 1 or 2 (per the DJ Basin Horizontal Offset Policy) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OFFSET MITIGATION COMPLETED") for the remediated wells, referencing the API number of the proposed horizontal well(s) stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.</p> <p>Wells Ranch USX AA 35-09 (API NO 123-29530)</p>

Best Management Practices

No	BMP/COA Type	Description
1	Drilling/Completion Operations	Anti-collision: Prior to drilling operations, Operator 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 wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole 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. For the proposed well, upon conclusion of drilling operations, an as constructed gyro survey will be submitted to COGCC with the Form 5.
2	Drilling/Completion Operations	During and Post stimulation: Noble Energy will comply with the COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated 5/29/12.
3	Drilling/Completion Operations	An existing well on this pad (API #123-30489, Wells Ranch AE 32-05) was 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: 3 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

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.
<http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf>

Attachment Check List

Att Doc Num	Name
401637033	FORM 2 SUBMITTED
401733630	OffsetWellEvaluations Data
401733640	WELL LOCATION PLAT
401733641	DEVIATED DRILLING PLAN
401733642	EXCEPTION LOC WAIVERS
401744199	DIRECTIONAL DATA
401744200	PROPOSED SPACING UNIT
401744201	SURFACE AGRMT/SURETY
401744202	EXCEPTION LOC REQUEST
401797935	OFFSET WELL EVALUATION

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Open Hole Logging BMP submitted by operator. Permitting Review Complete. Final Review Completed	10/12/2018
Engineer	Offset Wells Evaluated	09/12/2018
Permit	Passed Completeness.	08/27/2018

Total: 3 comment(s)