

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:

401759419

APPLICATION FOR PERMIT TO:

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

Date Received:

09/12/2018

TYPE OF WELL OIL ☐ GAS ☐ COALBED ☐ OTHER ☐ UIC-DISPOSAL ☐Refilling ☐ZONE TYPE SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☐Sidetrack ☐

Well Name: ROY SWD

Well Number: 5

Name of Operator: NGL WATER SOLUTIONS DJ LLC

COGCC Operator Number: 10373

Address: 3773 CHERRY CRK NORTH DR #1000

City: DENVER

State: CO

Zip: 80209

Contact Name: JOE VARGO

Phone: (303)815-1010

Fax: ()

Email: Joseph.Vargo@nglep.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20180135

WELL LOCATION INFORMATION

QtrQtr: NWNE Sec: 28 Twp: 1N Rng: 66W Meridian: 6

Latitude: 40.028580

Longitude: -104.780330

Footage at Surface: 326 Feet FNL/FSL FNL 2127 Feet FEL/FWL FEL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 5046

County: WELD

GPS Data:

Date of Measurement: 08/27/2018 PDOP Reading: 1.8 Instrument Operator's Name: SCOTT SHERARD

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

1753

FSL

1

FWL

1753

FSL

1

FWL

Sec: 21

Twp: 1N

Rng: 66W

Sec: 21

Twp: 1N

Rng: 66W

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: No

The right to construct the Oil and Gas Location is granted by: applicant is owner

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.)

There is no lease as there are no minerals applicable to the wellbore.

Total Acres in Described Lease: _____ 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: _____ Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1059 Feet

Building Unit: 1059 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 259 Feet

Above Ground Utility: 299 Feet

Railroad: 5280 Feet

Property Line: 266 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: 07/23/2018

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: 3098 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.)
ADMIRE	ADMI			
AMAZON	AMZN			
COUNCIL GROVE	COUGR			
FOUNTAIN	FNTN			
LOWER SATANKA	LSTKA			
LYONS	LYNS			
MISSOURI	MSSR			
VIRGIL	VRGL			
WOLFCAMP	WFCMP			

DRILLING PROGRAM

Proposed Total Measured Depth: 12042 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: 71 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 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	400	80	0
SURF	14+3/4	10+3/4	40.5	0	1175	402	1175	0
1ST	9+7/8	7+5/8	29.7	0	10041	230	10041	8671
1ST LINER	6+5/8	5+1/2	17	9989	12042			
	9+7/8	7+5/8	Stage Tool		8671	1148	8671	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

This well is 1 of 4 planned for this Pad. All will be serviced by the adjacent Roy SWD Facility. Form 33 will be submitted the same day as this Form 2.
The Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells is 71' to the W BREWSTER-LAWS 1, 05-123-07658.

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

Location ID: _____

Is this application being submitted with an Oil and Gas Location Assessment application? No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: PAUL GOTTLLOB

Title: Regulatory & Engin. Tech. Date: 9/12/2018 Email: paul.gottlob@iptenergyservices

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: 1/12/2019

Expiration Date: 01/11/2021

API NUMBER

05 123 49501 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>1. Injection is not authorized until approval of Subsequent Forms 31 and 33.</p> <p>2. Retrieve water sample(s) from injection zone(s) before stimulating formation. Samples must be analyzed for Total Dissolved Solids at a minimum.</p> <p>3. PRIOR TO PERFORMING OPERATIONS: Operator is required to contact COGCC to discuss acid and fracturing jobs. Approval of Form 4 may be required for acid and fracturing jobs. (As of 4/13/2016)</p> <p>4. PRIOR TO PERFORMING OPERATIONS: Operator is required to contact COGCC to discuss Step Rate Test or Injectivity Test criteria for Maximum Surface Injection Pressure determination. Prior approval of Form 4 may be required for step rate and injectivity tests.</p> <p>5. For ALL NEW DRILL UNDERGROUND INJECTION WELLS a suite of open-hole Resistivity/Gamma Ray and Density/Neutron logs IS REQUIRED from Surface Casing shoe to TD. A PDF, TIFF, or PDS visual image and a LAS or DLIS file version of each log is required.</p> <p>6. For all new and converted Underground Injection Control wells a Cement Bond Log (CBL) is required on the cased portions of the hole from the bottom of the casing to the top of the next shallower casing string for all casing strings other than the Surface Casing. Only a PDF, TIFF, or PDS visual image is required.</p> <p>7. Operator must provide all tops of formations encountered from surface to TD on the Form 5 when submitted.</p> <p>8. Well must pass MIT witnessed by COGCC before Subsequent Forms 31 and 33 will be approved. Well in must be in injection configuration.</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.</p> <p>2) Comply with Rule 317.j. and provide cement coverage from end of 7 5/8 inch casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.</p> <p>3) Bradenhead test shall be performed within 60 days of rig release and the Form 17 submitted within 10 days of the test.</p>

Best Management Practices

No BMP/COA Type

Description

1	Drilling/Completion Operations	For all new and converted Underground Injection Control wells a Cement Bond Log (CBL) is a required on the cased portions of the hole from the bottom of the casing to the top of the next shallower casing string for all casing strings other than the Surface Casing. Only a PDF visual image is required.
2	Drilling/Completion Operations	A Mud log is required containing at least the following information: Rate of Penetration Log, and the location of any drilling breaks or zones of lost circulation.
3	Final Reclamation	604.c.(2)T. Within 90 days subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site. Identification of plugged and abandoned wells will be identified pursuant to 319.a.(5)
4	Final Reclamation	604.c.(2)U. Final Reclamation-The operator shall identify the location of the 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.

Total: 4 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

<u>Att Doc Num</u>	<u>Name</u>
401759419	FORM 2 SUBMITTED
401759465	DIRECTIONAL DATA
401759471	DEVIATED DRILLING PLAN
401759492	WELLBORE DIAGRAM
401759493	WELL LOCATION PLAT
401759639	OffsetWellEvaluations Data
401903124	OFFSET WELL EVALUATION

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	01/11/2019
Permit	The permitting staff has removed the Open Hole Logging BMP so it does not conflict with the Injection COA's. Permitting Review Complete.	01/08/2019
Engineer	Operator has indicated oil-based drilling fluids will not be used.	01/07/2019
Permit	Passed Completeness	09/25/2018

Total: 4 comment(s)