

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:
401975010

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Date Received:
03/20/2019

Well Name: Millican Well Number: 1-7
Name of Operator: WAULCO RESOURCES LLC COGCC Operator Number: 10715
Address: 146 CAPULIN PLACE
City: CASTLE ROCK State: CO Zip: 80108
Contact Name: Chuck Pollard Phone: (303)549-7801 Fax: ()
Email: gce.cpollard@gmail.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20180168

WELL LOCATION INFORMATION

QtrQtr: NE/NE Sec: 7 Twp: 32S Rng: 47W Meridian: 6
Latitude: 37.276360 Longitude: -102.743010

Footage at Surface: 1077 Feet FNL/FSL FNL 211 Feet FEL/FWL FEL

Field Name: Field Number:

Ground Elevation: 4627.01 County: BACA

GPS Data:

Date of Measurement: 06/06/2018 PDOP Reading: 1.9 Instrument Operator's Name: Elijah Frane

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

Sec: Twp: Rng: Sec: Twp: Rng:

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: Yes

The right to construct the Oil and Gas Location is granted by: Surface Use Agreement

Surface damage assurance if no agreement is in place: Surface Surety ID: 20180167

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.)

Exemption from Rule 318 is through Voluntary Pooling which has been agreed to by all Surface Owners (see Declaration of Pooling document) and is provided for in our Oil and Gas Leases (also attached). One mineral lease that will be produced by this well is contained in a portion of E/2 of Section 7, T32S, R47W (see attached Unit Map). Surface Use Agreements are in place (also attached).

Total Acres in Described Lease: 26 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: 211 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: 1077 Feet
Above Ground Utility: 243 Feet
Railroad: 5280 Feet
Property Line: 211 Feet
School Facility: 5280 Feet
School Property Line: 5280 Feet
Child Care Center: 5280 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, Designated Outside Activity Area, School Facility, and Child Care Center – 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: 5280 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 660 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Operator's intent is to voluntarily pool leases (see attached Declaration of Pooling document and Unit Configuration Map/Well Unit Map)

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
LANSING-KANSAS CITY	LGKC			
MISSISSIPPIAN-PENNSYLVANI	MS-PN			

DRILLING PROGRAM

Proposed Total Measured Depth: 7500 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? No

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? Yes

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: ONSITE Drilling Fluids Disposal Methods: Land application

Cuttings Disposal: ONSITE Cuttings Disposal Method: Drilling pit

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
SURF	12+3/4	8+5/8	24	0	400	150	400	0
1ST	7+7/8	5+1/2	15.5	0	7500	830	7500	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 Waulco Resources LLC respectfully requests Expedited Approval to help keep our rig mobilization cost down. WW Drilling is available for our use and is in our proposed well drilling area in late May or early June. The COGCC's consideration of this request will be much appreciated (see attached Expedited Approval Request letter).

Waulco Resources LLC respectfully requests that the Millican #1-7 well be designated as a "TIGHT HOLE" for reporting purposes for the longest time period possible to protect our investment in multiple geo-science studies conducted in the area. Thank you.

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? Yes

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

Signed: _____ Print Name: Chuck Pollard

Title: President/CEO Date: 3/20/2019 Email: gce.cpollard@gmail.com

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: _____

Expiration Date: _____

API NUMBER

05

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

Best Management Practices

No	BMP/COA Type	Description
1	General Housekeeping	Housekeeping will consist of neat and orderly storage of all materials and fluids. Waste will be collected and temporarily stored in sealed containers and regularly disposed of at offsite, suitable facilities. If spills occur, prompt cleanup is required to minimize any commingling of waste materials with stormwater runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during fueling and maintenance to contain any spills or leaks. Any waste product from maintenance will be placed in a container and transported offsite for disposal or recycling. Cleanup of trash and discarded materials will be conducted at the end of each day, or more often if necessary. Cleanup will consist of patrolling the roadway, access areas, and other work areas to pick up any trash, scrap debris, other discarded materials.
2	Storm Water/Erosion Control	The area for this location is relatively flat with natural drainage to the west and east. The location will be built to take into account the natural drainage for the area and the runoff from storm conditions will be directed around the perimeter of the location so as not to erode the location and not to come into contact with any drilling equipment, pit fluids, etc. Culverts will be installed if necessary to maintain proper flow around the site perimeter. BMP's will be specific to each individual well location and will remain in effect and maintained until the pad location reaches final reclamation.
3	Material Handling and Spill Prevention	During drilling and completion operations, storage areas will be graded towards the pit as a safety measure. During production operations, implementation of Spill Prevention, Control and Countermeasure (SPCC) Plan will take place. Additionally, the lease will be inspected daily by our Lease Operator. All stock and produced water tanks will have secondary containment.
4	Construction	Access road, well pad and pit disturbances will be kept to a minimum. Soils will be segregated by type to facilitate the reclamation process. Storm water controls will be properly implemented and routinely inspected.
5	Construction	With a dry stream bed to the west of the proposed pad location, structural practices will be implemented at the site to minimize erosion and sediment transport. Practices may include, but not limited to: straw bales, wattles/sediment control logs, silt fences, earthen dikes, drainage swales, sediment traps, subsurface drains, pipe slope drains, culverts, inlet protection, outlet protection, and temporary sediment basins.
6	Drilling/Completion Operations	<p>Per Rule 317.p: Open-hole Resistivity Log with Gamma Ray Log will be run from TD into the surface casing. A Cement Bond Log with Gamma Ray will be run on production casing, or on intermediate casing if a production liner is run. The Form 5, Completion Report, will list all logs run and have those logs attached.</p> <p>Implementation of the Stormwater Management Plan (SWMP) including routine inspections and evaluation of effectiveness will commence with drilling operations.</p> <p>Tank battery will be located a safe distance from public roads and well head. Full containment for stock tanks and separators will be standard operations.</p> <p>All pipelines will be limited to the pad location. Common trenches will be used when practical. Oil will be trucked from location, and produced water will be transported to an approved disposal facility.</p>
7	Interim Reclamation	Debris and waste materials will be removed from location. Areas not in use will be reclaimed promptly; pits closed using segregated material; well pad and other compacted surfaces will be ripped for drainage purposes. Noxious weeds will be controlled.
8	Final Reclamation	All equipment and debris will be removed. All remaining disturbed areas, including access roads, will be reclaimed. Noxious Weed Control Plan may be developed if appropriate.

Total: 8 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401976774	DECLARATION OF POOLING
401976781	LOCATION DRAWING
401976782	OTHER
401978575	EXPEDITED APPROVAL REQUEST
401978580	OIL & GAS LEASE
401978593	OIL & GAS LEASE
401978599	OIL & GAS LEASE
401978652	OIL & GAS LEASE
402007511	SURFACE AGRMT/SURETY
402007512	SURFACE AGRMT/SURETY
402007513	SURFACE AGRMT/SURETY

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Returned to draft - SUA not attached.	04/11/2019
Permit	Returned to draft: BMP's listed are for form 2A with the exception of Rule 317.p., Attachments are for form 2A with the exception of Oil & Gas Lease, Well Location Plat, Expedited Approval Request.	03/25/2019

Total: 2 comment(s)

Public Comments

No public comments were received on this application during the comment period.