

FORM

2

Rev
08/19

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:

402129484

(REJECTED)

Date Received:

08/08/2019

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 ☐

Well Name: Ivey LC

Well Number: 26-362HC

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: Erin Lind

Phone: (720)595-2255

Fax: ()

Email: elind@gwogco.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20160041

WELL LOCATION INFORMATION

QtrQtr: SWSE Sec: 11 Twp: 1S Rng: 68W Meridian: 6

Latitude: 39.974942

Longitude: -104.965613

Footage at Surface: 1063 Feet FNL/FSL FSL 1736 Feet FEL/FWL FEL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 5107

County: ADAMS

GPS Data:

Date of Measurement: 06/08/2018

PDOP Reading: 1.3

Instrument Operator's Name: Ryan Williams, JC

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

460

FNL

520

FEL

370

FSL

520

FEL

Sec: 14

Twp: 1S

Rng: 68W

Sec: 26

Twp: 1S

Rng: 68W

LOCAL GOVERNMENT INFORMATION

County: ADAMS

Municipality: N/A

Per § 34-60-106 (1)(f)(I)(A), the following questions pertain to the "local government with jurisdiction to approve the siting of the proposed oil and gas location."

The local government with jurisdiction is: County

Does the local government with jurisdiction regulate the siting of Oil and Gas Locations, with respect to this COGCC application? If the local government has waived its right to precede the COGCC in siting determination, indicate by selecting "NO" here and selecting "Waived" below.

☒ Yes ☐ NoIf yes, in checking this box, I hereby certify that an application has been filed with the local government with jurisdiction to approve the siting of the proposed oil and gas location. ☒

The local government siting permit type is: USR

The local government siting permit was filed on: 02/13/2017

The disposition of the application filed with the local government is: Approved

Additional explanation of local process:

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: Surface Use Agreement

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.)

N/2NE/4, Section 14, Township 1 South, Range 68 West, 6th P.M.

Total Acres in Described Lease: 80 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: | <u>1594</u> Feet |
| Building Unit: | <u>1594</u> Feet |
| High Occupancy Building Unit: | <u>3300</u> Feet |
| Designated Outside Activity Area: | <u>5280</u> Feet |
| Public Road: | <u>612</u> Feet |
| Above Ground Utility: | <u>846</u> Feet |
| Railroad: | <u>4813</u> Feet |
| Property Line: | <u>261</u> Feet |
| School Facility: | <u>3200</u> Feet |
| School Property Line: | <u>2898</u> Feet |
| Child Care Center: | <u>2898</u> 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: 266 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Drilling & Spacing Unit:
Township 1 South, Range 68 West, 6th P.M.
Sec 14: E/2; Sec 23: E/2; Sec 26 E/2
Unit Size = apprx 960 ac.

If this Form 2 is associated with a Drilling and Spacing Unit application, provide docket number: _____

OBJECTIVE FORMATIONS

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| CODELL | CODL | 407-1904 | 960 | Sec. 14, 23, 26: E2 |

DRILLING PROGRAM

Proposed Total Measured Depth: 23739 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: 131 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? _____

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 | 717 | 1700 | 0 |
| 1ST | 8+1/2 | 5+1/2 | 17 | 0 | 23739 | 3241 | 23739 | 4200 |

☒ 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 407-1904
- ☐ 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

The nearest well permitted or completed in the same formation was measured to Ivey LC 26-362HN, proposed by Great Western O/G. The distance was measured in 3D.

The nearest existing or proposed wellbore belonging to another operator is the Wright 1 (001-07094), PA Status, operated by SRC Energy. The distance was measured in 3D.

This well has a bottom hole location beyond the unit boundary setback. The bottom of the completed interval will be within the unit boundary setback at 470' FSL and 520' FEL of Section 26. The wellbore beyond the unit boundary setback will be physically isolated and will not be completed.

The API is being reused from a previously submitted Ivey LC APD. Every aspect of the wellbore is changing including the well name, drilling and casing program, offset well evaluation, and attachments.

There is one well within 150' of this well. The Wright 1 (0500107094), does not require a stimulation setback consent because it has a PA status.

Great Western is requesting approval of a Rule 318.c. Exception Location Request from Spacing Order #407-1904. The request letter and signed waiver are attached.

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

Location ID: 442411

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: Andrea Gross

Title: Permit Agent Date: 8/8/2019 Email: agross@upstreampm.com

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules, applicable orders, and SB 19-181 and is hereby approved.

COGCC Approved: _____ Director of COGCC Date: _____
Expiration Date: _____

API NUMBER

05 001 09899 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

| | |
|--------------------------------|---|
| Drilling/Completion Operations | Drilling Beyond the Unit Boundary Setback: Operator will ensure the wellbore beyond the unit boundary setback is physically isolated and is not completed. In the Operator Comments on the Form 5A the operator will (1) report the footages from the section lines of the bottom of the completed interval, (2) describe how the wellbore beyond the unit boundary setback is physically isolated, and (3) certify that none of the wellbore beyond the setback was completed. |
|--------------------------------|---|

Best Management Practices

| No | BMP/COA Type | Description |
|----|--------------------------------|---|
| 1 | Drilling/Completion Operations | <p>Drill stem tests (Rule 604.c.(2)L</p> <p>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.</p> |
| 2 | Drilling/Completion Operations | <p>Wellbore Collision Prevention – Rule 317.r</p> <p>Prior to drilling operations, GWOC 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.</p> |
| 3 | Drilling/Completion Operations | <p>BOPE for well servicing (Rule 604.c.(2)J</p> <p>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.</p> |
| 4 | Drilling/Completion Operations | <p>Bradenhead Monitoring</p> <p>GWOC will comply with the “COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area”, dated May 29, 2012.</p> |
| 5 | Drilling/Completion Operations | <p>Alternative Logging Program: 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 state “Alternative Logging Program - No open-hole logs were run” and shall clearly identify the type of log and the well (by API#) in which open-hole logs were run.</p> |

Total: 5 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> |
|--------------------|----------------------------|
| 402129484 | FORM 2 SUBMITTED |
| 402129529 | DIRECTIONAL DATA |
| 402129530 | WELL LOCATION PLAT |
| 402129531 | DEVIATED DRILLING PLAN |
| 402129532 | SURFACE AGRMT/SURETY |
| 402129534 | EXCEPTION LOC WAIVERS |
| 402130134 | EXCEPTION LOC REQUEST |
| 402130473 | OffsetWellEvaluations Data |
| 402131746 | EXCEPTION LOC REQUEST |
| 402131747 | EXCEPTION LOC WAIVERS |

Total Attach: 10 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|----------------------|--|---------------------|
| Permit (Rejected) | REJECTION: This APD has been rejected per the COGCC Rejection Process (updated May 21, 2019). The Surface Use Agreement (SUA) attachment is missing the operator's signature on this APD, and on 10 other APDs on the same pad. This entire form was not reviewed by permitting staff. | 11/06/2019 |
| Permit | •Per the attached Well Location Plat, corrected the operators comment on submit tab regarding the bottom of the completed interval location. •Initial permitting review complete and task passed. | 10/07/2019 |
| Permit | Passed Completeness. | 08/12/2019 |

Total: 3 comment(s)

Public Comments

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

REJECTED