

FORM
2

Rev
02/20

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:

402363101

Date Received:

06/26/2020

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: BEIERLE

Well Number: 26-14HZ

Name of Operator: KERR MCGEE OIL & GAS ONSHORE LP

COGCC Operator Number: 47120

Address: P O BOX 173779

City: DENVER

State: CO

Zip: 80217-3779

Contact Name: Samantha Petite

Phone: (720)929-3167

Fax: ()

Email: samantha_petite@oxy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20010124

WELL LOCATION INFORMATION

QtrQtr: NWNE Sec: 26 Twp: 1N Rng: 66W Meridian: 6

Latitude: 40.028280

Longitude: -104.741135

Footage at Surface: 460 Feet FNL/FSL FNL 1729 Feet FEL/FWL FEL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 5121

County: WELD

GPS Data: GPS Quality Value: 1.3 Type of GPS Quality Value: PDOP Date of Measurement: 05/07/2018

Instrument Operator's Name: Travis Holland

If well is ☐ Directional ☒ Horizontal (highly deviated) submit deviated drilling plan.

Footage at Top of Prod Zone: FNL/FSL FNL 2555 FNL 2001 FEL 50 FNL 2114 FEL
Sec: 26 Twp: 1N Rng: 66W Sec: 23 Twp: 1N Rng: 66W

LOCAL GOVERNMENT INFORMATION

County: WELD

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 location? If the local government does regulate the siting, but has waived its right to precede the COGCC in siting determination, indicate by selecting "YES" here and selecting "Waived" for the disposition below.

☒ Yes ☐ No

If 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: Weld County Oil & Gas Location Assessment

The local government siting permit was filed on: 08/03/2018

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

Additional explanation of local process:

Weld County Oil & Gas Location Assessment was submitted to Weld County on August 3, 2018 and was approved on October 17, 2018. WOGLA18-0099

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: _____

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.)

Township 1 North, Range 66 West, 6th P.M.
Section 26: NE/4
Weld County, Colorado

Total Acres in Described Lease: 160 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>840</u> Feet
Building Unit:	<u>996</u> Feet
High Occupancy Building Unit:	<u>5280</u> Feet
Designated Outside Activity Area:	<u>5280</u> Feet
Public Road:	<u>457</u> Feet
Above Ground Utility:	<u>854</u> Feet
Railroad:	<u>5280</u> Feet
Property Line:	<u>460</u> Feet
School Facility:	<u>5280</u> Feet
School Property Line:	<u>5280</u> Feet
Child Care Center:	<u>5280</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: 05/07/2018

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: 152 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 539 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

PROPOSED SPACING UNIT:
01N66W SEC 14: SWSE;
01N66W SEC 23: W2E2;
01N66W SEC 26: W2NE, NWSE

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.)
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NIOBRARA	NBRR		320	GWA
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DRILLING PROGRAM

Proposed Total Measured Depth: 16143 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: 112 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:

Please see attached Waste Management Plan for description on the associated 2A.

Beneficial reuse or land application plan submitted? Yes

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	36.94	0	80	64	80	0
SURF	13+1/2	9+5/8	36	0	1500	590	1500	0
1ST	7+7/8	5+1/2	17	0	16133	1907	16133	

☐ 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>PLEASE ENSURE ALL CORRESPONDENCE ASSOCIATED WITH THIS PERMIT GOES TO ANALYST AND DJREGULATORY EMAIL ADDRESSES, AS LISTED ON THIS PERMIT.</p> <p>Offset well buffer description for the subject well has been attached to this permit for review (GIS BUFFER REVIEW/ANALYSIS).</p> <p>This pad has not been built and has a valid Form 2A.</p> <p>The following changes from the previously approved Form 2 are being made via this refile: surface change, cultural distances updated, deviated drilling plan (including associated downhole footages and TMD) changed, right to construct changed to surface use agreement, local government information added, school and child care cultural distances added, distance to offset well in same formation updated, distance to unit boundary changed, and spacing unit (configuration and acreage) changed, distance to other operator's wellbore changed, casing / cementing program changed (first string), BMPS updated and offset well evaluation updated.</p> <p>The SUA, exception location request, and exception location waivers are attached to the scout card and not this form as there has been no change since filing the original APD.</p>
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This application is in a Comprehensive Drilling Plan No CDP #: _____

Location ID: 440489

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: Samantha Petite

Title: Regulatory Analyst Date: 6/26/2020 Email: DJREGULATORY@ANADARK

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, applicable orders, and SB 19-181 and is hereby approved.

COGCC Approved:  _____ Director of COGCC Date: 11/2/2020

Expiration Date: 11/01/2022

API NUMBER

05 123 48578 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.

<u>COA Type</u>	<u>Description</u>
Drilling/Completion Operations	This Permit to Drill is approved subject to all the BMPs and COAs on the most recently approved Form 2A and any subsequently approved Form 4 for the Oil and Gas Location (Location ID #440489). The most recently approved Form 2A and any subsequent Form 4s containing applicable COAs for this location shall be posted onsite during construction, drilling, and completions operations.
Construction	If location is not constructed by 2A expiration (11/8/2021), a refile Form 2A must be approved prior to location construction.
Drilling/Completion Operations	Operator acknowledges the proximity of the listed wells. Operator assures that this offset list will be remediated per the DJ Basin Horizontal Offset Policy (option 4). Operator will submit a Form 42 ("OTHER – AS SPECIFIED BY PERMIT CONDITION") stating that appropriate mitigation will be completed, during the hydraulic stimulation of this well. This Form 42 shall be filed 48 hours prior to stimulation. Operator will assure the well's bradenhead is monitored for pressure during the stimulation treatment of the pad. A Bradenhead test will be performed prior to the beginning of stimulation and the Form 17 submitted within 10 days of the test. If Bradenhead pressure greater than 200psig over baseline is observed in offset well, treatment will be stopped and COGCC Engineering notified, and the event will be reported on a Form 42. Pressure will be managed and communicated to COGCC staff for their approval prior to proceeding with stimulation operations. After stimulation is complete, a Form 4 Sundry may be requested for pressure data and monitoring details. Ritchey #26-1-19HC (05-123-44745)
Drilling/Completion Operations	Per COGCC Order 1-232, Bradenhead tests shall be performed according to the following schedule and Form 17 submitted within 10 days of each test: 1) Within 60 days of rig release, prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 2) If a delayed completion, 6 months after rig release and prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.
Drilling/Completion Operations	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. 2) Comply with Rule 317.j. and provide cement coverage from TD to a minimum of 500' above Niobrara. Verify coverage with cement bond log. 3) Oil-based drilling fluid is to be used only after all fresh water aquifers are covered.

Best Management Practices

No	BMP/COA Type	Description
1	Drilling/Completion Operations	Kerr-McGee acknowledges and will comply with the COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.
2	Drilling/Completion Operations	Anti-Collision: Kerr-McGee will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within one hundred fifty (150) feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators within one hundred fifty (150) feet prior to drilling.
3	Drilling/Completion Operations	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.

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

Attachment Check List

Att Doc Num	Name
402363101	FORM 2 SUBMITTED
402427911	GIS BUFFER REVIEW/ANALYSIS
402427920	DEVIATED DRILLING PLAN
402427922	WELL LOCATION PLAT
402427926	DIRECTIONAL DATA
402428008	SURFACE AGRMT/SURETY
402429308	PROPOSED SPACING UNIT
402523777	OFFSET WELL EVALUATION

Total Attach: 8 Files

General Comments

User Group	Comment	Comment Date
Permit	Final Review Completed.	10/27/2020
OGLA	Public Comments received for this Form 2 are summarized and addressed in the Public Comment Consideration Memo (Doc# 1347985) saved in the file for Oil and Gas Location ID# 440489.	10/26/2020
OGLA	Following additional analysis arising out of the Objective Criteria, the Director determined that this application meets the standard for the protection of public health, safety, and welfare and the environment, including wildlife resources set by SB 19-181. The Objective Criteria Review Memo (Doc# 1347984) can be found in the document file for Location ID 440489.	10/26/2020
Permit	The following corrections were made with operator concurrence: Added approved WOGLA permit number to local government information Added submit tab statement addressing what attachments can be found on the scout card Uploaded original SUA to this form. SUA amendments can be found on the scout card	09/08/2020

OGLA	IN PROCESS - Received requested information from operator on 9/3/2020. COGCC review will resume and be conducted within 60 days (by 11/2/2020).	09/08/2020
OGLA	<p>ON HOLD: This application has been reviewed by COGCC staff and cannot be approved based on the information submitted; therefore, the COGCC is placing this form ON HOLD until additional information is received from the applicant. In compliance with § 24-65.1-108(1), C.R.S., the COGCC is providing this written request for all additional information necessary for the COGCC to respond to this application. The applicant may provide all requested additional information to COGCC via email. Upon receipt of all requested information, the COGCC will have 60 days in which to approve, deny, or request all additional information necessary to complete the regulatory review. If the applicant no longer requires this application be approved, the applicant may request to withdraw the application.</p> <p>In addition to all standard required information and attachments, the COGCC hereby confirms the following information is necessary for review:</p> <ol style="list-style-type: none"> 1. This Form 2 application meets one or more Objective Criteria. The applicant must address the Objective Criteria on a Form 4 Sundry Notice submitted to the related Location ID. The Form 4 shall include updated Best Management Practices to address the following: <ol style="list-style-type: none"> a. Pertaining to Objective Criteria #1: Provide an updated lighting BMP, specifically addressing that lights will be directed away from building units and/or be shielded. b. Pertaining to Objective Criteria #1: Provide an updated BMP addressing what Group oil-based mud will be used and any actions to address drilling mud odors (odor neutralizers, etc.). c. Pertaining to Objective Criteria #1: Provide an updated Noise Mitigation BMP describing the planned height and location of the sound walls for the location. d. Pertaining to Objective Criteria #5c and #8: Provide a BMP for any berm and liner containment surrounding the separators and other (non-tank) production equipment. e. Pertaining to Objective Criteria #5c and #8: Provide a BMP for any berm and liner containment surrounding the planned 27 temporary tanks. f. Pertaining to Objective Criteria #5c and #8: Provide a BMP for any liner planned for use under the drilling rig. g. Pertaining to Objective Criteria #5c and #8: Provide an updated stormwater management BMP providing examples (including but not limited to) of what types of controls are to be implemented on the location. 2. The following informational questions relating to the Objective Criteria Review must also be answered, but may be answered in direct response to this email, rather than via the above mentioned Form 4 Sundry: <ol style="list-style-type: none"> a. Pertaining to Objective Criteria #1: Describe any outreach to surrounding building units since the 11/9/2018 Amended Form 2A approval. b. Pertaining to Objective Criteria #1: These APDs received a total of 41 public comments. Accounting for duplicates there were four specific and unique comments. COGCC is providing those specific comments for Kerr McGee to respond. c. Pertaining to Objective Criteria #3: Describe any outreach/communication with the Town of Lochbuie regarding this location. d. Pertaining to Objective Criteria #5c and #8: Is there an Emergency Response Plan in place for this location? If so, with which local Emergency Responders? e. Pertaining to Objective Criteria #5c and #8: Approximately how long are the 27 temporary tanks planned to be on location for flowback operations? 3. The BEIERLE 26-18HZ APD (doc 402363113) should be a refile APD and utilize one of the API numbers from an AL permit on location ID 440489. Provide the API number to reuse and a refile statement for the submit tab. 4. The 11 APDs currently submitted as refiles have the SUA, exception location request, and exception location waivers attached to the scout card and not to the form. Please provide a comment for the Submit tab stating that these attachments can be found attached to the scout card. 5. Approved WOGLA permit number is missing from the local government information. Provide approved WOGLA permit number. 6. On APD doc 402363094, the TPZ footage should be 2633' FSL, not FNL. Please confirm. 	08/28/2020
Engineer	Emailled operator regarding offset well evaluation 30-Jul-2020. Feedback finalized 24-Aug-2020.	08/10/2020
Permit	Passed completeness.	07/17/2020
Permit	Required submit comments for refile missing. Return to draft.	06/30/2020

Total: 9 comment(s)