

FORM
2

Rev
12/05

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:

400254576

Date Received:

03/01/2012

APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COALBED OTHER Horizontal lateral
SINGLE ZONE MULTIPLE COMMINGLE

Refiling

Sidetrack

PluggingBond SuretyID

20030107

3. Name of Operator: WPX ENERGY ROCKY MOUNTAIN LLC

4. COGCC Operator Number: 96850

5. Address: 1001 17TH STREET - SUITE #1200

City: DENVER State: CO Zip: 80202

6. Contact Name: Greg Davis Phone: (303)606-4071 Fax: (303)629-8268

Email: greg.j.davis@williams.com

7. Well Name: Williams Well Number: GM 701-4 HN1

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 16676

WELL LOCATION INFORMATION

10. QtrQtr: Lot 1 Sec: 4 Twp: 7S Rng: 96W Meridian: 6

Latitude: 39.471386 Longitude: -108.107231

Footage at Surface: 689 feet FNL 896 feet FEL

11. Field Name: Grand Valley Field Number: 31290

12. Ground Elevation: 5450 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 09/30/2011 PDOP Reading: 1.7 Instrument Operator's Name: Robert Kay

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: 1890 FNL 510 FEL Bottom Hole: 1877 FNL 310 FWL
Sec: 4 Twp: 7S Rng: 96W Sec: 10 Twp: 7S Rng: 96W

16. Is location in a high density area? (Rule 603b)? Yes No

17. Distance to the nearest building, public road, above ground utility or railroad: 1930 ft

18. Distance to nearest property line: 399 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 600 ft

20. LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Niobrara	NBRR			

21. Mineral Ownership: Fee State Federal Indian Lease #: COC24603

22. Surface Ownership: Fee State Federal Indian

23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID#:

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No

23b. If 23 is No: Surface Owners Agreement Attached or \$25,000 Blanket Surface Bond \$2,000 Surface Bond \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

See attached.

25. Distance to Nearest Mineral Lease Line: 612 ft 26. Total Acres in Lease: 2221

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? Yes No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? Yes No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? Yes No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? Yes No

31. Mud disposal: Offsite Onsite

If 28, 29, or 30 are "Yes" a pit permit may be required.

Method: Land Farming Land Spreading Disposal Facility Other: Re-use and evaporation

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	26	20	52.7	0	60	50	60	0
SURF	17+1/2	13+3/8	68#	0	2,400	731	2,400	0
1ST	12+1/4	9+5/8	47#	0	9,350	1,136	9,350	0
2ND	8+1/2	5+1/2	23#	0	16,676	996	16,676	0

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None

33. Comments Closed Loop. Intermediate Cement: Top of cement shall be 250' above the Mesaverde. Production Cement: Top of cement shall be 500' above the 7 5/8" intermediate shoe. Williams is the surface owner.

34. Location ID: 333109

35. Is this application in a Comprehensive Drilling Plan? Yes No

36. Is this application part of submitted Oil and Gas Location Assessment? Yes No

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

Signed: _____ Print Name: Greg Davis

Title: Supervisor Permits Date: 3/1/2012 Email: greg.j.davis@williams.com

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: [Signature] Director of COGCC Date: 5/10/2012

API NUMBER: **05 045 21488 01** Permit Number: _____ Expiration Date: 5/9/2014

CONDITIONS OF APPROVAL, IF ANY:

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.

- 1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.
- 2) GARFIELD COUNTY RULISON FIELD NOTICE TO OPERATORS. NOTE: ALL NOTICES SHALL BE GIVEN VIA E-MAIL. SEE ATTACHED NOTICE
- 3) CEMENT ON PRODUCTION CASING MUST BE A MINIMUM OF 200' ABOVE THE TOP OF THE MESA VERDE FORMATION (OR 200' ABOVE THE OHIO CREEK FORMATION IF PRESENT). CEMENT TOP VERIFY BY CBL IS REQUIRED. THIS REQUIREMENT SHALL SUPERSEDE THE TOP OF CEMENT REQUIREMENTS IN THE NEW MAMM CREEK FIELD NOTICE TO OPERATORS.
- 4) PROVIDE CEMENT COVERAGE FROM THE INTERMEDIATE CASING SHOE TO A MINIMUM OF 200' ABOVE TOP OF GAS [OR OTHER SHALLOWEST-KNOWN PRODUCING HORIZON]. VERIFY CEMENT WITH A CEMENT BOND LOG.
- 5) PRODUCTION CASING CEMENT TOP VERIFICATION BY CBL REQUIRED.
- 6) THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1 MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 130 FEET DEEP.

Attachment Check List

Att Doc Num	Name
1533005	EXCEPTION LOC REQUEST
1533006	EXCEPTION LOC WAIVERS
1533057	DEVIATED DRILLING PLAN
2538031	OTHER
400254576	FORM 2 SUBMITTED
400254593	WELL LOCATION PLAT
400254594	LEGAL/LEASE DESCRIPTION
400256668	DEVIATED DRILLING PLAN
400256953	DIRECTIONAL DATA
400257191	FED. DRILLING PERMIT

Total Attach: 10 Files

General Comments

User Group	Comment	Comment Date
Permit	off hold--confirmed oper. wants to permit only NBRR. attached updated dev. drlg. plan showing correction to casing and KOP for horizontal. Yates has mineral interest in deep rights on this leasehold; therefore, their signature on waiver. LGD & public comments waived. Final Review--passed.	5/7/2012 1:19:57 PM
Permit	Confirmed Loc ID # is 333109.	5/7/2012 11:59:47 AM
Permit	On hold--opr. submitted exc. loc. req. ltr. and waivers. Location is exception to Rule 318.a requiring 1200' from nearest well producing from same fm. since offset well is only 600' from proposed prod. wellbore. Need clarification of Yates mineral interest, permitting of Mancos & NBRR (change to single zone), and dir. plan that shows pilot hole. changed distance to nearest min. lease to 612' (shortest distance to offset lease from 600' buffer around prod. wellbore) per oper.'s instructions.	5/2/2012 9:42:32 AM
Permit	updated casing and cement changes per oper.'s email. attached changes as doc #2538031. The first string is now 9 5/8" set at 9350' (does not match the 7 5/8" on the dir. plan originally submitted).	4/24/2012 2:55:32 PM
Permit	on hold; oper. advised they will seek exc. loc.; waiting on req. ltr. BLM minerals.	3/23/2012 9:21:46 AM
Permit	on hold--productive wellbore not 1200' from nearest well (WPX GM 743-1); this is not legal loc.	3/22/2012 3:18:12 PM
LGD	Passed	3/19/2012 4:48:12 PM
Permit	Operator corrected 22b. This form has passed completeness.	3/2/2012 6:33:49 AM
Permit	Returned to draft. Missing 22b.	3/1/2012 2:01:27 PM

Total: 9 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)