

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



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Date Received:

05/09/2012

PluggingBond SuretyID

20040060

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☒ GAS ☐ COALBED ☐ OTHER _____
SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐

Refiling ☐

Sidetrack ☐

3. Name of Operator: BARRETT CORPORATION* BILL

4. COGCC Operator Number: 10071

5. Address: 1099 18TH ST STE 2300

City: DENVER State: CO Zip: 80202

6. Contact Name: Mary Pobuda Phone: (303)402-7539 Fax: (303)291-0420

Email: mpobuda@billbarrettcorp.com

7. Well Name: 70 Ranch Well Number: 4-63-3-33H

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

9. Proposed Total Measured Depth: 10660

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 3 Twp: 4N Rng: 63W Meridian: 6

Latitude: 40.339490 Longitude: -104.416400

Footage at Surface: 1991 feet FSL 427 feet FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4541 13. County: WELD

14. GPS Data:

Date of Measurement: 10/25/2011 PDOP Reading: 1.6 Instrument Operator's Name: Adam Kelly

15. 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
2250 FSL 600 FEL 2250 FSL 600 FWL
Sec: 3 Twp: 4N Rng: 63W Sec: 3 Twp: 4N Rng: 63W

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: 215 ft

18. Distance to nearest property line: 427 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 550 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		320	GWA

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____

22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian

23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#: 20040097

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 lease map.

25. Distance to Nearest Mineral Lease Line: 396 ft

26. Total Acres in Lease: 400

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: _____

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
SURF	13+1/2	9+5/8	36	0	1,500	740	1,500	0
1ST	8+3/4	7	26	0	6,327	510	6,327	1,300
1ST LINER	6+1/8	4+1/2	11.6	6327	10,660			

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

33. Comments Conductor casing will not be set. Derrick Height is 142'. Proposed wellbore spacing unit configuration is S/2N/2, N/2S/2

34. Location ID: _____

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: Mary Pobuda

Title: Permit Analyst Date: 5/9/2012 Email: mpobuda@billbarrettcorp.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:  Director of COGCC Date: 6/6/2012

API NUMBER

05 123 35732 00

Permit Number: _____ Expiration Date: 6/5/2014

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.

Operator must meet water well sampling requirements as per Rule 318A.

- 1) Provide 48 hour notice of MIRU via an electronic Form 42.
- 2) Comply with Rule 317.i and provide cement coverage from the end of the production casing to a minimum of 200' above the Niobrara. Verify coverage with a cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from the TD to surface. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

Att Doc Num	Name
2481625	SURFACE CASING CHECK
2532507	EXCEPTION LOC WAIVERS
2532512	30 DAY NOTICE LETTER
2532515	PROPOSED SPACING UNIT
400274258	FORM 2 SUBMITTED
400276051	WELL LOCATION PLAT
400276052	DEVIATED DRILLING PLAN
400276053	PROPOSED SPACING UNIT
400283094	LEASE MAP
400283440	DIRECTIONAL DATA

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Updated permit with 30 day cert. letter for proposed spacing unit attachment.	5/6/2012 9:40:35 AM
Permit	Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Operator requests an exception location to 318Aa, 318Ac: Exception request and waiver attached.	5/6/2012 9:40:22 AM
Permit	Changed distance to another well completed in the same formation to 550 feet to reflect the distance to proposed lateral wellbores being drilled from the same pad.	5/11/2012 8:04:24 AM
Permit	Power line is 215' from well location. Derrick height is 142' for derrick drilling the well. The distance to the power line is more than 1 1/2 times the derrick height which is in compliance with rule 603a1	5/11/2012 7:47:18 AM
Permit	On hold - Waiting on the 30 day cert letter regarding the proposed wellbore spacing unit.	5/11/2012 7:40:23 AM
Permit	On hold - Waiting for exception location request and waiver for 318Aa.	5/11/2012 7:38:11 AM
Permit	Operator corrected directional template. This form has passed completeness.	5/10/2012 1:25:17 PM
Permit	Returned to draft. Directional template does not match the deviated drilling plan.	5/10/2012 7:14:49 AM

Total: 8 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	<p>Best Management Practice for a Horizontal Wellbore Fracturing Stimulation</p> <ol style="list-style-type: none">1. At least seven (7) days prior to fracture stimulation, the operator is to notify all operators of non-operated wells within 300 feet of the wellbore to be fracture stimulated of the anticipated date stimulation date and the recommended best management practice to shut-in all wells within 300' of the stimulated wellbore completed in the same formation.2. The operator will monitor the bradenhead pressure of all wells within 300 feet of the well to be fracture stimulated.3. Bradenhead pressure gauges are to be installed 24 hours prior to stimulation. The gauges are to read at least once during every 24-hour period until 24-hours after stimulation is completed (post flowback). The gauges are to be of the type able to read current pressure and record the maximum encountered pressure in a 24-hour period. The gauge is to be reset between each 24-hour period. The pressures are to be recorded and saved. Alternate electronic measurement may be used to record the prescribed pressures. Data shall be kept for a period of one year.4. If at any time during stimulation or the 24-hour post-stimulation period, the bradenhead annulus pressure of the treatment well or offset wells increases more than 200 psig, as per Rule 341, the operator of the well being stimulated shall verbally notify the Director as soon as practicable, but no later than twenty-four (24) hours following the incident. Within fifteen (15) days after the occurrence, the operator shall submit a Sundry Notice, Form 4, giving all details, including corrective actions taken.

Total: 1 comment(s)