

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:

400284931

Date Received:

06/28/2012

PluggingBond SuretyID

20030107

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: 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@wpxenergy.com

7. Well Name: Lantz Well Number: SG 343-23

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

9. Proposed Total Measured Depth: 5526

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 23 Twp: 7S Rng: 96W Meridian: 6

Latitude: 39.419119 Longitude: -108.070433

Footage at Surface: 1296 feet FNL/FSL 890 feet FEL/FWL FEL

11. Field Name: Grand Valley Field Number: 31290

12. Ground Elevation: 5029 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 03/02/2012 PDOP Reading: 1.3 Instrument Operator's Name: Robert Kay

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
2040 FSL 372 FEL 2040 FSL 372 FEL
Sec: 23 Twp: 7S Rng: 96W Sec: 23 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: 654 ft

18. Distance to nearest property line: 236 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 350 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Williams Fork | WMFK | 510-14 | 160 | SE/4 |

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#:

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):

T7S-R96W: Section 23: Lots 4 & 5; E/2S/E, Section 26: Lots 1, 4, 5 & 6; SW/4SW/4, Section 35: W/2NW

25. Distance to Nearest Mineral Lease Line: 372 ft

26. Total Acres in Lease: 526

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 | 18 | 48# | 0 | 60 | 25 | 60 | 0 |
| SURF | 13+1/2 | 9+5/8 | 32.3# | 0 | 853 | 229 | 853 | 0 |
| 1ST | 8+3/4 | 4+1/2 | 11.6# | 0 | 5,526 | 735 | 5,526 | |

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

33. Comments Closed Loop. Surface owners minerals are leased in the SE/4 160 acre spacing unit.

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: Greg Davis

Title: Supervisor Permits

Date: 6/28/2012

Email: greg.j.davis@wpenergy.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: 8/17/2012

API NUMBER

05 045 21695 00

Permit Number: _____

Expiration Date: 8/16/2014

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) THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 160 FEET DEEP.

2) CEMENT TOP ON PRODUCTION CASING MUST BE AT LEAST 200' ABOVE THE TOP OF THE MESA VERDE

ADHERENCE(S) TO THE FOLLOWING NOTICE TO OPERATORS APPLIES:

NW AREA NOTIFICATION PROCEDURES
GARFIELD COUNTY
GARFIELD & MESA COUNTY BRHTA

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400284931 | FORM 2 SUBMITTED |
| 400286999 | WELL LOCATION PLAT |
| 400287001 | TOPO MAP |
| 400288765 | SURFACE AGRMT/SURETY |
| 400300363 | DIRECTIONAL DATA |
| 400300364 | DEVIATED DRILLING PLAN |

Total Attach: 6 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| Permit | No LGD or public comments. Final Review--passed | 8/15/2012 8:40:29 AM |
| Permit | Mineral lease for BHL partially Exxon lease and partially tract leases. Exxon lease is described. | 7/27/2012 9:23:12 AM |
| LGD | Passed DB | 7/2/2012 12:49:43 PM |

Total: 3 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------|-----------------------|
| | |

Total: 0 comment(s)