

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:

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Date Received:

06/29/2012

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)312-8511 Fax: (303)291-0420

Email: mpobuda@billbarrettcorp.com

7. Well Name: Dutch Lake Well Number: 25-01H

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

9. Proposed Total Measured Depth: 10738

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 1 Twp: 6N Rng: 62W Meridian: 6

Latitude: 40.522722 Longitude: -104.278608

Footage at Surface: 365 feet FNL 359 feet FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 4751 13. County: WELD

14. GPS Data:

Date of Measurement: 05/29/2012 PDOP Reading: 1.4 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
600 FNL 600 FWL 600 FSL 600 FWL
Sec: 1 Twp: 6N Rng: 62W Sec: 1 Twp: 6N Rng: 62W

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: 328 ft

18. Distance to nearest property line: 359 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1217 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	407-704	320	W2

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):

Please see the attached lease description. A spacing application has been filed for the August hearing.

25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 1050

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
CONDUCTOR	20	16	42	0	60	50	60	0
SURF	13+1/2	9+5/8	36	0	800	420	800	0
1ST	8+3/4	7	26	0	6,520	510	6,520	600
1ST LINER	6+1/8	4+1/2	11.6	6520	10,738			

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

33. Comments Note: No cement tops for 1st liner (packers being utilized).

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: 6/29/2012 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: Matthew Lee Director of COGCC Date: 9/26/2012

API NUMBER

05 123 36118 00

Permit Number: _____ Expiration Date: 9/25/2014

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 prior to spud via electronic Form 42.
- 2) Provide cement coverage from base of intermediate casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.
- 4) Operator will not fracture stimulate any portion of the wellbore within 300' of the WILD EAGLE #1, API#123-12437
- 5) After the well has been drilled to TD the operator shall submit a Sundry Notice Form 4 detailing the treatment plan and the segment of the borehole to be excluded from the treatment.
 - a. Sundry Notice shall be submitted at least ten (10) days prior to the hydraulic fracture treatment
 - b. Required attachment: Directional survey
 - c. Required information: Specific details of wellbore segment being excluded from treatment
 - d. Sundry Notice shall be submitted via email to the appropriate engineer
 - e. Sundry Notice approval is required prior to hydraulic fracture treatment
- 6) Operator shall clearly report wellbore segment excluded from treatment on Form 5A

Attachment Check List

Att Doc Num	Name
2170268	SURFACE CASING CHECK
2288977	CORRESPONDENCE
2532761	OTHER
2532769	EXCEPTION LOC WAIVERS
400300902	APD APPROVED
400300910	LEGAL/LEASE DESCRIPTION
400301022	TOPO MAP
400301024	PLAT
400301032	DEVIATED DRILLING PLAN
400301318	DIRECTIONAL DATA
400331091	FORM 2 SUBMITTED

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Engineer	Removed On Hold. Unchecked COA from 8/16/12 comment. Changed in Operator Comments tab: Name, Title and email to current operator contact info. Operator (MP w/ BB) contacted COGCC 9/7/12 and said they want to go with Option 2: Exclude the segment of the proposed wellbore within 300' of an inadequately plugged well from the hydraulic fracture treatment. Statement from 9/7/12 email from operator: "BBC's Resolution: Exclude the segment of the proposed wellbore within 300' of an inadequately plugged well from the hydraulic fracture treatment."	9/10/2012 3:30:40 PM
Permit	ON HOLD - need response from Bill Barrett concerning mitigation of inadequately plugged well 88' from planned wellbore location	9/7/2012 3:40:45 PM
Permit	Input spacing order from August hearing and added Bradenhead BMP per operator. Final Review Completed. No LGD or public comment received.	9/7/2012 10:23:04 AM
Permit	Changed operator from EOG to Bill Barrett Corporation. Bill Barrett Corporation acquired this permit from EOG. Please see attached correspondence. Corrected plugging bond and operator contact information.	9/6/2012 1:24:45 PM

Engineer	<p>Asset is changing operator. Never got a response from Bill Barrett after contacting EOG 7/16 and by phone 7/31. Added mitigation options as a COA.</p> <p>Situation: The proposed wellpath comes within 300' of the following DA/PA Well(s): WILD EAGLE #1, API#123-12437, SWNW 1-6N-62W. The referenced DA/PA well(s) lacks isolation below the base of the Fox Hills aquifer and above the Niobrara. To reduce the risk of impacting aquifers or oil & gas zones other than the Niobrara via the referenced DA/PA well(s), no segments of the proposed borehole within 300' of the referenced DA/PA well(s) shall be stimulated.</p> <p>Mitigation Options: 1. Alter the well path such that it does not come within 300' of the referenced DA/PA well(s). Operator shall provide a revised directional plan showing the 300' radius around the referenced DA/PA well(s). -or- 2. Exclude from stimulation, any segments of the wellbore that fall within 300' of the referenced DA/PA well(s). Operator shall provide a Sundry notice Form 4 (at least ten (10) days prior to stimulation) detailing the stimulation plan and any segment of the borehole to be excluded from the stimulation due to the setback referenced. A directional survey with setback distances shall accompany the required Sundry notice, and also be submitted in an Excel format. This Sundry notice shall be submitted via email to the appropriate engineer. Operator shall provide a revised directional plan showing the 300' radius around the DA/PA well(s), and any segments of the wellbore that will be excluded from stimulation. -or- 3. Apply for a permit reenter and properly re-plug the referenced DA/PA well(s). Should the Operator decide to re-enter and properly plug and abandon the referenced DA/PA well(s), the 300' setback would be waived. Required documentation: <ul style="list-style-type: none"> •Form 2 to Re-Enter <ul style="list-style-type: none"> oSUA required oIf not building a location and no plugging pit to be used no Form 2A needed. If pit to be dug will need 2A. •Form 6 Well Abandonment Report: Notice of Intent to Abandon <ul style="list-style-type: none"> oDescribe details of proposed work and receive approval of same oAttachments: proposed procedure, WBD. •Form 6 Well Abandonment Report: Subsequent Report of Abandonment <ul style="list-style-type: none"> oReport work performed and receive approval of same oAttachments: cement job summary, WBD. </p>	8/16/2012 8:24:00 AM
Engineer	Called Jennifer Yu at EOG to follow up. She will check with Bill Barrett and someone should respond.	7/31/2012 2:26:15 PM
Engineer	Emailed operator jennifer_yu@eogresources.com. The proposed wellpath comes within 300' a Dry & Abandoned (DA) well the WILD EAGLE #1, API#123-12437, SWNW 1-6N-62W. The Anticollision Report provided indicates the wellpath comes within 88.4' of the referenced DA well. The referenced DA well lacks isolation below the base of the Fox Hills aquifer and above productive intervals (J-Sand and Niobrara). To reduce the risk of impacting aquifers or zones other than the objective formation (Niobrara) via the DA well, no segments of the proposed borehole within 300' of the referenced well shall be stimulated. Setback can be created by altering the wellpath such that it does not come within 300' of the referenced well or by excluding from stimulation, any segments of the wellbore that fall within 300' of the referenced well. The operator may also apply for a permit reenter and properly replug the DA well. Should the Operator decide to re-enter and properly plug and abandon the DA well, these required setbacks would be reinvestigated by COGCC staff. Requested EOG provide information how they propose to mitigate this situation.	7/16/2012 9:52:25 AM
Permit	Operator requests approval of Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window. Waiver and exception request attached.	7/9/2012 6:47:47 AM
Permit	Operator provided anticollision report.	7/3/2012 12:26:31 PM

Permit	On hold - Lateral passes within 40 feet of a plugged and abandoned well (Wild Eagle #1 (123-12437). Operator should provide anti-collision BMP and discuss situation with COGCC engineer.	7/3/2012 7:45:42 AM
Permit	On hold - section is not spaced. Filed for August hearing. Operator has not provided the necessary proposed spacing unit attachments and has not designated a proposed wellbore spacing unit on the objectives list.	7/3/2012 7:41:21 AM
Permit	Distance to lease line is 0 feet. Horizontal well crosses lease line.	7/3/2012 7:40:38 AM
Permit	Wellhead is to be located outside of a GWA drilling window. Waiting on exception request and waiver.	7/3/2012 7:34:44 AM
Permit	Operator corrected directional data. This form has passed completeness.	7/2/2012 1:41:49 PM
Permit	Returned to draft. Needs directional data.	6/29/2012 3:12:40 PM
Permit	Returning to draft at operator's request.	6/29/2012 9:30:40 AM

Total: 16 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	Operator will comply with COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012. (attached)

Total: 1 comment(s)