

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:

400372240

Date Received:

01/23/2013

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

PluggingBond SuretyID

3. Name of Operator: SIMMONS, INC.* D. J.4. COGCC Operator Number: 1001785. Address: 1009 RIDGEWAY PL STE 200City: FARMINGTON State: NM Zip: 874016. Contact Name: Chris Lopez Phone: (505)326-3753 Fax: (505)327-4659Email: clopez@djsimmons.com7. Well Name: Pinto Well Number: 3-17

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

9. Proposed Total Measured Depth: 6350

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 17 Twp: 39N Rng: 19W Meridian: NLatitude: 37.639560 Longitude: -108.967600Footage at Surface: 2498 feet FNL 2523 feet FWL11. Field Name: Papoose Canyon Field Number: _____12. Ground Elevation: 6682 13. County: DOLORES

14. GPS Data:

Date of Measurement: 04/01/2012 PDOP Reading: 1.8 Instrument Operator's Name: Basin surveying - John D. Wayne15. 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/FWLSec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____16. Is location in a high density area? (Rule 603b)? Yes No17. Distance to the nearest building, public road, above ground utility or railroad: 1800 ft18. Distance to nearest property line: 120 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2300 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.)
Desert Creek	DSCR	231-2	160	NW/4

21. Mineral Ownership: Fee State Federal Indian Lease #: COC 3614022. Surface Ownership: Fee State Federal Indian23. 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 No23b. 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):

Township 39 North, Range 19 West, N.M.P.M.: Section 16 - N2/SW, SE/SW; Section 17 - N2/NE, SE/NE, N2/NW, SE/NW, Dolores County, Colorado

25. Distance to Nearest Mineral Lease Line: 145 ft 26. Total Acres in Lease: 360

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: Lined Earthen Pit

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	17+1/2	13+3/8	48	0	50	31	50	0
SURF	12+1/4	8+5/8	24	0	2,100	720	2,100	0
1ST	7+7/8	5+1/2	17	0	6,350	620	6,350	2,000

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

33. Comments _____

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: Chris S. Lopez

Title: Regulatory Specialist Date: 1/23/2013 Email: clopez@djsimmons.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: 4/25/2013

API NUMBER

05 033 06175 00

Permit Number: _____ Expiration Date: 4/24/2015

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) Provide 48 hour notice of spud.

Attachment Check List

Att Doc Num	Name
2518218	EXCEPTION LOC REQUEST
2518345	EXCEPTION LOC WAIVERS
2518346	WAIVERS
2518347	SURFACE AGRMT/SURETY
2518354	EXCEPTION LOC REQUEST
2518358	EXCEPTION LOC WAIVERS
400372240	FORM 2 SUBMITTED
400373083	TOPO MAP
400373084	LEASE MAP
400373097	PLAT
400373118	FED. DRILLING PERMIT
400373168	DRILLING PLAN
400373169	EXCEPTION LOC WAIVERS

Total Attach: 13 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	4/25/2013 1:51:55 PM
Permit	Waiting on a second property line waiver	4/18/2013 2:18:46 PM
Permit	Operator revised the document with an SUA, Right of Way consent for access, and exception location/request for property line encroachment.	4/16/2013 1:07:17 PM
Permit	The well is less than the required 150 feet from a surface property line. The operator must send another exception request to rule 603a2. The request letter should be accompanied by a waiver from offsetting fee surface property owner/owners.	4/1/2013 8:58:05 AM
Permit	Operator provided the the request letter for an exception location. The BLM provided the mineral setback waiver which satisfies order 231-2.	4/1/2013 8:57:20 AM
Permit	Operator provided the subsequent form 6 (2/4/2013). Approved.	4/1/2013 8:37:42 AM
Permit	Operator will re-send the subsequent form 6.	2/4/2013 10:11:38 AM
Permit	The 217 acre unit is not covered by 318a (as stated in the waiver) but rather order 231-2 and 231-14 which require a 990 foot setback. Operator needs a letter requesting an exception location addressed to the COGCC director describing the reason why they need the exception location to 231-14 and an email from the BLM that states they recognize that the well setback is covered by 231-2 and 231 -14.	2/4/2013 9:11:17 AM
Permit	On hold - Quarter section is spaced for one Desert Creek well only. The other well (Brewer-Federal #1-17) has an approved form 6 intent to plug but we have not relieved the subsequent form 6 to plug which is necessary to finalize the status of that well. This well cannot be produced while the other remains an active well, unless a COA is attached that states that only one well may produce from the Desert Creek at any given time from the NW/4.	2/4/2013 8:52:47 AM
Permit	Added doc # of 2A.	1/23/2013 11:40:45 AM

Total: 10 comment(s)

BMP

Type	Comment
Planning	<p>The sequence of activities for the project is as follows:</p> <ol style="list-style-type: none"> 1) Construct well access road <ul style="list-style-type: none"> - Install pre/during BMP's; - Blade, level, crown and construct drain ditch for access road to well pad. 2) Construct well pad <ul style="list-style-type: none"> - Install pre/during BMP's at well pad; - Construct well pad by leveling (with cut and fill), including pits; - Set-up completion rig including light plant and mud pits; - Complete the well; - Set surface facilities such as meter run, separator, and storgate tanks. 3) Construct well-tie pipeline right of way <ul style="list-style-type: none"> - Install pre/during BMP's; - Level right-of-way; - Excavate ditch; - String pipe; - Bend pipe; - Weld pipe; - Lower-in pipe; - Shade-in pipe; - Hydrostat pipe test; - Backfill ditch; - Restore area for interim reclamation.
Construction	<p>The BMP's that will be used during construction activities are based on EPA Guidance documents and training sessions, Colorado Discharge Permit System, Colorado Department of Transportation training sessions and publications, good engineering practices, International Erosion Control Association training sessions and publications, and Stormwater publications.</p> <p>The BMP's to be used on this project for pre/during construction will be 9-inch diameter fiber logs, hay bales and a sediment trap. The post construction BMP's will be 9-inch fiber logs, hay bales, sediment trap and earth berms. The BMP's were designed specifically for this project to contain sediments on the project site with the intention of not allowing the sediments or any possible pollutants off-site and more specifically not to reach the drainage of Squaw Canyon.</p> <ul style="list-style-type: none"> - The fiber logs are designed to function for flows up to 4 cubic feet per second before failure generally occurs. One third the diameter (3-inches) of the fiber log will be placed in ground and staked down with 24-inch wooden stakes. The fiber logs will be placed a distance of three feet outside the toe of the well pad, the toe of the berms disturbance, and on the downhill side of the toe of the access road until restoration is achieved. - The hay bales and sediment trap will be located at the lowest point of the project area, allowing for outfall of stormwater but at the same time trapping sediments before outfall occurs. - Windrow berming shall be approximately 12-inches in height by 3-feet in width and shall be constructed on the uphill and downhill sides of the well pad to allow for an outfall of stormwater but at the same time trapping sediments before the outfall occurs. - Should dust become a problem on the project site, then dust abatement technique of wetting the soil to keep airborne dust particles down may be applied to the site or any other dust abatement technique the contractor may select that is acceptable by Dolores County, Colorado. <p>The BMP's shall be installed on the access road and well pad location before surface disturbing activities begin. The BMP's will be checked before each sequence of construction for integrity and prior to drilling completion activities or pipeline activities begin. The BMP's will remain in working order until they are no longer necessary or restoration is complete.</p>

Material Handling and Spill Prevention	<p>The following are examples of measures that will be taken to minimize generation of dust, construction materials and waste handling and storage, spill prevention and response:</p> <ul style="list-style-type: none"> - Up-to-date Material Safety Data Sheets for all chemicals used on-site are maintained. It is not anticipated that reportable quantities of acids, solvents, paints, chemicals or other liquids will be stored or used for construction purposes. - Drums and containers will be clearly labeled. Drums of hazardous waste are labeled and dated per regulatory requirements. - Accumulation of waste on-site is limited. - Best Management Practices are implemented. - Chemicals that are poured into smaller containers, the secondary containers will be clearly labeled and dedicated to one material. Funnels or other aids to reduce spills, drips and splashes are used during pouring. - Secondary containment is covered to prevent the mixing of released materials with precipitation. - Proper pumps for fueling are provided to reduce leaks and spills. Drip pans are installed for fueling nozzles. Drip pans will be cleaned regularly and will not be allowed to accumulate water. - Storage areas, containment areas and spill response kits are inspected regularly. - Proper signage is installed for hazardous materials storage areas. - Leaks are repaired promptly and spilled material and contaminated media are cleaned up immediately. - Available equipment (spill pallets, mats, absorbants) is used to reduce spills, leaks and drips as well as their impacts. - Tailgate safety meetings are held with all personnel prior to each construction or drilling activity. <p>The CDPHE will be notified of any upset or accidental spill (SWMP Administrator, (877) 518-5608) and the spill will be cleaned up immediately and the contaminated soils will be either land farmed or land filled in accordance with the State, Federal or Dolores County requirements. Where a release of hazardous substance or oil exceeds the reportable quantity established under 40 CFR 110, 40 CFR 117, or 40 CFR 302 during a 24-hour period, the operator must:</p> <ol style="list-style-type: none"> -1) Contact SWMP Administrator (877) 518-5608 2) Notify the National Response Center (800) 424-8802 or (202) 426-2675 3) Update the Plan within 7 days to address reoccurrences of such releases.
Storm Water/Erosion Control	Storm water erosion BMP's are designed to reduce, prevent or control pollution by entraining sediments in runoff during and after construction.
Interim Reclamation	<p>Interim site reclamation will be achieved in the following manner:</p> <ul style="list-style-type: none"> - Grading and establishing original grade to contour; - Restore and replace topsoil to non-working areas; - Constructing proper drainage; - Installing interim BMP's (re-seeding, preventing noxious weeds); - Maintaining interim BMP's and contouring.

Total: 5 comment(s)