

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:

400445540

Date Received:

07/15/2013

PluggingBond SuretyID

20120105

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: CARRIZO NIOBRARA LLC

4. COGCC Operator Number: 10439

5. Address: 500 DALLAS STREET #2300

City: HOUSTON State: TX Zip: 77002

6. Contact Name: Kalen Bauer Phone: (713)328-1000 Fax: (713)328-1060

Email: kalen@rockymountainpermitting.com

7. Well Name: Bailey Well Number: 6-26-8-60

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

9. Proposed Total Measured Depth: 10691

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 26 Twp: 8N Rng: 60W Meridian: 6

Latitude: 40.627020 Longitude: -104.063750

Footage at Surface: 337 feet FNL/FSL 1319 feet FEL/FWL
FSL FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 4876 13. County: WELD

14. GPS Data:

Date of Measurement: 07/02/2013 PDOP Reading: 2.2 Instrument Operator's Name: Marc Woodard

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 FSL 1058 FWL 600 FNL 1058 FWL
Sec: 26 Twp: 8N Rng: 60W Sec: 26 Twp: 8N Rng: 60W

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: 1319 ft

18. Distance to nearest property line: 337 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 458 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	535-362	640	ALL

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):

Township 8 North, Range 60W of the 6th P.M., Section 26: SW4 Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 600'

25. Distance to Nearest Mineral Lease Line: 0 ft

26. Total Acres in Lease: 160

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	16	15+1/4	65	0	60	6	60	0
SURF	12+1/4	9+5/8	36	0	1443	534	1443	0
1ST	8+3/4	7	23	0	6388	546	6388	0
1ST LINER	6+1/4	4+1/2	11.6	5653	10691			

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

33. Comments Swell packer will be set beyond 600' from section line to keep wellbore from 7" casing unproduced. Spacing Hearing was June 16, 2013.

34. Location ID: 432951

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: Terry Hoffman

Title: Regulatory Compliance Date: 7/15/2013 Email: terry@rockymountainpermitting

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: 8/13/2013

API NUMBER

05 123 37812 00

Permit Number: _____ Expiration Date: 8/12/2015

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.

COA Type	Description
	1) Provide 48 hour notice prior to spud via electronic Form 42. 2) Provide cement coverage 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.
	Provide mitigation proposed for following wells prior to stimulation. 123-09262, TAYLOR 1: Re-enter the well and plug to provide adequate protection. 123-15471, TAYLOR 1-A: Re-enter the well and plug to provide adequate protection. 123-10707, Stanley 14-23: Re-enter the well and plug to provide adequate protection.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
1534699	OTHER
400445540	FORM 2 SUBMITTED
400445743	WELL LOCATION PLAT
400445744	DEVIATED DRILLING PLAN
400445781	DIRECTIONAL DATA

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	8/12/2013 10:44:43 AM
Permit	Per operator corrected distance to nearest road to 1319' & changed contact information. Added Location ID# 432951. Ok to pass.	8/12/2013 10:40:40 AM
Permit	Requesting corrected distance to nearest road, add Location ID & New contact person info.	8/12/2013 9:37:18 AM
Permit	Input order number from recently approved hearing.	3/7/2013 5:55:38 AM
Permit	Initial review complete. Requested corrected distance to nearest road and location ID number. Requested a copy of the finalized order from hearings.	3/6/2013 6:45:47 AM
Engineer	Received updated remediation plan from operator: Fred Miller. Fwd to scanning to attach. 123-20272, Federal Osprey 35-3: Existing surface casing and top of production casing cement OK. Additionally operator writes: The 1500' radius extending from the Federal Osprey 35-3 will only cross our curve portions of the Bailey 7 and 8 wells. The curve section will have cement behind the 7" casing and there is an additional isolation packer just below the 7" to isolate fracture stimulations from the legal line. Dependent on where the radius lands in each well, either cement or isolation packers will provide adequate adherence to the DJ BHO policy.	7/31/2013 11:23:00 AM
Engineer	Received remediation plan from operator: Andrew Taylor. Fwd to scanning to attach. Removed Hold. Asked for further clarification on remediation plan.	7/30/2013 4:34:42 PM
Engineer	On Hold - Wells within 1500' of the proposed directional plan lack adequate formation isolation: 05-123-09262, TAYLOR 1, (lacks aquifer and Niobrara isolation), PA 05-123-15471, TAYLOR 1-A, (surf csg OK, lacks Niobrara isolation), DA Existing wells OK 05-123-14361, TAYLOR 5-26, (surf csg OK, Niobrara isolated w/ 40 sk stub plug at 1250' up), PA Emailed operator rep (tina.taylor@crzo.net).	7/23/2013 2:30:36 PM
Permit	This form has passed completeness.	7/16/2013 11:35:43 AM

Total: 9 comment(s)

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	Operator will participate in the Colorado Oil & Gas Association Voluntary Baseline Groundwater Quality Sampling Program. Operator will implement interim reclamation measures immediately after construction of the location to stabilize cut and fill slopes, stabilize the topsoil and spoil stockpiles, establish desirable vegetation and control weeds on the location.
2	Storm Water/Erosion Control	Operator has designed the well pad with insloping and a storm water control ditch to prevent storm water run-on/runoff and the release of fluids from the location. See attached Construction Layout Drawing.
3	Material Handling and Spill Prevention	Operator will ensure 110 percent secondary containment for any volume of fluids contained at the well site during drilling and completion. Operator will implement best management practices to contain any unintentional release of fluids. Operator shall not allow any fluids to flow back to the Fresh Water Storage Pit/Pond.

Total: 3 comment(s)