

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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07/02/2013

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: Cynthia Pinel Phone: (713)358-6210 Fax: (713)328-1060

Email: cynthia.pinel@crzo.net

7. Well Name: Konig Well Number: 2-31-11-59

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

9. Proposed Total Measured Depth: 11377

WELL LOCATION INFORMATION

10. QtrQtr: Lot 4 Sec: 31 Twp: 11N Rng: 59W Meridian: 6

Latitude: 40.873720 Longitude: -104.027170

Footage at Surface: 710 feet FNL/FSL 675 feet FEL/FWL
 FSL FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 5432 13. County: WELD

14. GPS Data:

Date of Measurement: 06/19/2013 PDOP Reading: 2.0 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 600 FWL 600 FNL 600 FWL
 Sec: 31 Twp: 11N Rng: 59W Sec: 31 Twp: 11N Rng: 59W

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: 580 ft

18. Distance to nearest property line: 675 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1686 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 | 535-353 | 640 | ALL |

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. 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 11 North, Range 59W of the 6th P.M., Section 31: All, Less and except a 10 acre tract described in Book 521 Page 88 and a 1 acre tract described in book 768 page 555 of the Weld County Records

25. Distance to Nearest Mineral Lease Line: 600 ft

26. Total Acres in Lease: 629

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 | 1400 | 534 | 1400 | 0 |
| 1ST | 8+3/4 | 7 | 23 | 0 | 6825 | 642 | 6825 | 1400 |
| 1ST LINER | 6+1/4 | 4+1/2 | 11.6 | 6058 | 11377 | | | |

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

33. Comments Spacing hearing set for Sept. 16, 2013 Swell Packer will be set beyond 600' from section line to keep wellbore from 7" casing shoe to Swell Packer unproduced.

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: Tina Taylor

Title: Regulatory Compliance

Date: 7/2/2013

Email: tina.taylor@crzo.net

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: 10/4/2013

API NUMBER

05 123 38240 00

Permit Number: _____

Expiration Date: 10/3/2015

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.

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.

On Hold - Wells within 1500' of the proposed directional plan lack adequate formation isolation:

Ehmke #1, 123-05797, (lacks aquifer and Niobrara isolation)

Emailed operator rep (tina.taylor@crzo.net).

Operator acknowledges the proximity of the following wells: Ehmke #1, 123-05797. Operator agrees to: provide mitigation option 1, 2 or 3 (per the DJ Basin Horizontal Offset Policy) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OTHER – AS SPECIFIED BY PERMIT CONDITION") stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|---------------------------|------------------------|
| 2157246 | WELL LOCATION PLAT |
| 2157247 | DEVIATED DRILLING PLAN |
| 2157248 | OFFSET WELL EVALUATION |
| 400440277 | FORM 2 SUBMITTED |
| 400487455 | DIRECTIONAL DATA |

Total Attach: 5 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| Permit | Corrected Operator contact name. No LGD or public comments. Final Review--passed. | 10/3/2013 7:22:09 AM |
| Engineer | On operator submitted offset well evaluation has the comment regarding the Ehmke #1, 123-05797: Re-enter the well and plug to provide adequate protection. Removed Hold. | 10/2/2013 10:47:19 AM |
| Permit | Per oper. casing/cement info now correct. Oper. corrected dist. to min. lease Oper. corrected dist. to nearest well permitted. | 10/1/2013 7:40:06 AM |
| Permit | Oper. submitted new well location plat, dir. template, dev. drlg. plan and offset well evaluation. Req'd. new distances to nearest well permitted, min. lease, casing info. New well plan establishes 600' setback from unit boundary per Order 535-353 for approval of APD prior to new order approval. Entered Spacing Order 535-353. Changed swell packer distance from 300' to 600' from section line. | 9/30/2013 7:43:35 AM |
| Permit | Order 535-410 conditionally approved. If no protest rec'd by 10/12/2013, order granted. | 9/26/2013 10:04:42 AM |
| Permit | Per operator this section is going to be spaced in the September hearing. | 7/15/2013 2:02:57 PM |
| Permit | Requested information from operator regarding 100' setbacks. Order 535-353 states 600' setbacks. | 7/12/2013 12:30:14 PM |
| Permit | Operator made correction. This form has passed completeness. | 7/5/2013 8:36:53 AM |
| Permit | Returned to draft; Distance to the west line should be 600 feet according to survey plat. | 7/3/2013 9:04:58 AM |

Total: 9 comment(s)

Best Management Practices

| No | BMP/COA Type | Description |
|----|--|---|
| 1 | Planning | Fresh water for the Fresh Water Storage Pit comes from water provider; water sources permitted for consumable industrial use. Fresh Water Storage Pit shall contain fresh water only and signage prohibiting the use of the pit for any fluid that does not come from municipal, irrigation or surface water source.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. A Form 15 Pit Report will be submitted within 30 days of construction of the fresh water storage pit. |
| 2 | Pre-Construction | The COGCC to be notified 48 hours prior to construction of the Fresh Water Storage Pit. |
| 3 | 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. |
| 4 | 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. |
| 5 | Construction | The location will be fenced and the fenced area will include the Fresh Water Storage Pit. |

Total: 5 comment(s)