

FORM
2
Rev
08/13

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:
400432619

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Date Received:
11/12/2013

TYPE OF WELL OIL GAS COALBED OTHER _____
ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refiling
Sidetrack

Well Name: WRD FEDERAL Well Number: 25-31
Name of Operator: KOCH EXPLORATION COMPANY, LLC COGCC Operator Number: 49100
Address: 950 17TH STREET #1900
City: DENVER State: CO Zip: 80202
Contact Name: Janni Keidel Phone: (303)325-2578 Fax: (303)325-2599
Email: janni.keidel@kochind.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: SESE Sec: 26 Twp: 2N Rng: 97W Meridian: 6
Latitude: 40.109158 Longitude: -108.236389

Footage at Surface: 1240 feet FNL/FSL FSL 100 feet FEL/FWL FEL

Field Name: White River Field Number: 92800

Ground Elevation: 5878 County: RIO BLANCO

GPS Data:
Date of Measurement: 09/10/2013 PDOP Reading: 1.2 Instrument Operator's Name: Robert Kay

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
1980 FSL 670 FWL 1980 FSL 670 FWL
Sec: 25 Twp: 2N Rng: 97W Sec: 25 Twp: 2N Rng: 97W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: Fee State Federal Indian

The Surface Owner is: is the mineral owner beneath the location.
(check all that apply) is committed to an Oil and Gas Lease.
 has signed the Oil and Gas Lease.
 is the applicant.

The Mineral Owner beneath this Oil and Gas Location is: Fee State Federal Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: Yes

The right to construct the Oil and Gas Location is granted by: oil and gas lease

Surface damage assurance if no agreement is in place: _____ Surface Surety ID: _____

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

Mineral lease acreage - SW/2 of Section 23, 2N-97W, All of Section 26, T2N-R97W, and NENW,NE/4 of Section 35, T2N-R97W. COC0127537 and COC55438. Total net mineral acres is 280.

Total Acres in Described Lease: 1000 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # COC0127537

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: _____ Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 2196 Feet
 Building Unit: 5280 Feet
 High Occupancy Building Unit: 5280 Feet
 Designated Outside Activity Area: 5280 Feet
 Public Road: 1593 Feet
 Above Ground Utility: 2193 Feet
 Railroad: 5280 Feet
 Property Line: 1057 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
 - Enter 5280 for distance greater than 1 mile.
 - Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
 - Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: Buffer Zone
 Exception Zone
 Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit
 - Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
 - Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: _____

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 1236 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 5280 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

SE1/4SE1/4 Section 26, 2North, Range 97West

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
WASATCH-MESAVERDE	WSMVD			
WILLIAMS FORK- ILES - MANCOS	WFILM			

DRILLING PROGRAM

Proposed Total Measured Depth: 7515 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1228 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than

or equal to 100 ppm? No (If Yes, attach an H2S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? No

BOP Equipment Type: Annular Preventor Double Ram Rotating Head None

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 609

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Commercial Disposal

Cuttings Disposal: ONSITE Cuttings Disposal Method: Other

Other Disposal Description:

Drill cuttings will be land spread on location after testing and approval by the BLM Authorized Officer.

Beneficial reuse or land application plan submitted?

Reuse Facility ID: or Document Number:

CASING PROGRAM

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	16	13+3/8	36	0	250	150	250	0
SURF	12+1/4	8+5/8	24	0	1100	343	1100	0
3RD	7+7/8	5+1/2	17	0	7515	906	7515	1100

Conductor Casing is NOT planned

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- Rule 318A.a. Exception Location (GWA Windows).
- Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number

OTHER LOCATION EXCEPTIONS

Check all that apply:

- Rule 318.c. Exception Location from Rule or Spacing Order Number _____
- Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments THIS LOCATION IS ON FEDERAL SURFACE AND FEDERAL MINERALS. THIS LOCATION IS IN A SENSITIVE WILDLIFE HABITAT FOR MULE DEER. KOCH EXPLORATION WILL NOT DRILL BETWEEN DECEMBER 1ST TO APRIL 15TH, UNLESS APPROVAL IS GRANTED BY THE BLM AUTHORIZED OFFICER. THE CLOSEST WATER WELL TO THIS NEW LOCATION IS APPROXIMATELY 903' NORTHWEST OF PROPOSED LOCATION, PERMIT #32219-MH, RECEIPT #0032219 WHICH IS A MONITORING WELL, DEPTH 60', LOCATION IS NESE, SEC. 26-2N-97W.
SEE KOCH EXPLORATION MASTER 10 POINT DRILLING PLAN FOR ALL SPECIFIC DRILLING PROCEDURES.

This application is in a Comprehensive Drilling Plan No CDP #: _____

Location ID: _____

Is this application being submitted with an Oil and Gas Location Assessment application? Yes

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Janni Keidel

Title: Ops/Reg Coordinator Date: 11/12/2013 Email: janni.keidel@kochind.com

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: _____

Expiration Date: _____

API NUMBER
05

Conditions Of Approval

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

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Wildlife	<p>1. Where drilling and completion activities must occur in mule deer critical winter range, conduct these activities outside the time period from December 1 through April 15th, unless an approval is granted by the BLM Authorized Officer.</p> <p>2. Restrict work-over rig activities to between the hours of 10:00 a.m. and 3:00 p.m. from December 1 to April 15 when possible, to accommodate mule deer critical winter range, unless an approval is granted by the BLM Authorized Officer.</p> <p>3. Concentrate post-development water truck delivery trips to between the hours of 10:00 a.m. and 3:00 p.m. from December 1 to April 15 when possible, to accommodate mule deer critical winter range.</p> <p>4. Follow company guidelines to minimize wildlife mortality from vehicle collisions on roads.</p>
2	Storm Water/Erosion Control	A Master Stormwater Management Plan, as required by the CDPHE, is in place for the White River Dome field and includes the subject location. The Plan details BMPs related to storm water management and erosion control that will be implemented during construction and interim reclamation. A Post-Construction Stormwater Plan is in place and will be implemented after interim reclamation is complete.
3	Material Handling and Spill Prevention	Koch Exploration Company operates certain natural gas production wells in Rio Blanco County Colorado that are subject to SPCC planning requirements because they have oil storage capacity greater than 1,320 gallons (approx. 31 bbl). For those wells that meet or exceed the threshold storage quantities (referred to henceforth as the "SPCC wells") KEC is required to develop and implement an SPCC Plan. This field wide SPCC Plan has been developed for the KEC SPCC wells that together are referred to as the Rio Blanco County Well Sites, Colorado in response to the regulations listed above.
4	Drilling/Completion Operations	Koch Exploration Company will comply with the most current revision of the Northwest Colorado Notification Policy.

Total: 4 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400486750	WELL LOCATION PLAT
400486752	ACCESS ROAD MAP
400488013	DIRECTIONAL DATA
400488017	DEVIATED DRILLING PLAN
400511743	FED. DRILLING PERMIT

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Returned to draft; fill in the related 2A document number in the related forms tab. please remove all attachments that go with the form 2A and attach them to that form.	11/13/2013 2:48:36 PM

Total: 1 comment(s)