

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:

400525148

APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☐

Sidetrack ☐

Date Received:

12/16/2013

Well Name: Sharp Well Number: 24-3-11HC
Name of Operator: WARD PETROLEUM CORPORATION COGCC Operator Number: 10359
Address: PO BOX 1187
City: ENID State: OK Zip: 73702
Contact Name: Andrea Gross Phone: (303)942-0506 Fax: ()
Email: agross@upstreampm.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20100221

WELL LOCATION INFORMATION

QtrQtr: SWSW Sec: 24 Twp: 1S Rng: 67W Meridian: 6

Latitude: 39.944030

Longitude: -104.846050

Footage at Surface: 250 feet FNL/FSL FSL 190 feet FEL/FWL FWL

Field Name: WATTENBERG Field Number: 90750

Ground Elevation: 5019 County: ADAMS

GPS Data:

Date of Measurement: 10/15/2013 PDOP Reading: 1.2 Instrument Operator's Name: Rob Daley

If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 462 FSL 833 FWL 460 FNL 880 FEL/FWL FWL
Sec: 24 Twp: 1S Rng: 67W Sec: 24 Twp: 1S Rng: 67W

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: Bond

Surface damage assurance if no agreement is in place: Blanket Surface Surety ID: 20100222

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.)

See attached Lease Description

Total Acres in Described Lease: 246 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 600 Feet
Building Unit: 596 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 239 Feet
Above Ground Utility: 200 Feet
Railroad: 1825 Feet
Property Line: 190 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: 11/13/2013

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 4876 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

OBJECTIVE FORMATIONS

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| CODELL | CODL | 407-87 | | |
| FORT HAYS | FTHYS | | | |
| NIOBRARA | NBRR | 407-87 | | |
| SUSSEX | SUSX | | | |

DRILLING PROGRAM

Proposed Total Measured Depth: 12507 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 2797 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 318A

DRILLING WASTE MANAGEMENT PROGRAM

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

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Other

Other Disposal Description:

The drill cuttings will be disposed of offsite and land farmed.

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 |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| SURF | 13+1/2 | 9+5/8 | 36 | 0 | 1200 | 586 | 1200 | 0 |
| 1ST | 8+3/4 | 7 | 23 | 0 | 8146 | 819 | 8146 | 3000 |
| 1ST LINER | 6+1/8 | 4+1/2 | 11.6 | 7206 | 12507 | | | |

☒ 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 application is in a Comprehensive Drilling Plan _____ 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: Andrea Gross

Title: Permit Agent Date: 12/16/2013 Email: agross@upstreampm.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

No BMP/COA Type

Description

| | | |
|---|----------------------|---|
| 1 | Planning | Guy Line Anchors: Per the SUA, Ward will remove all guy line anchors for drilling and completions within 30 days upon termination of oil and gas operations by Ward. |
| 2 | Planning | Development from existing well pads: Development from existing well pads was not an option for this well. However, this well pad will be considered for future well locations. |
| 3 | Planning | Site Specific Measures: Ward will maintain a Stormwater Management Plan with site specific measurements to assess erosion control. |
| 4 | Planning | Multiwell Pads: In order to reduce surface disturbance, Ward is permitting this 2A for five (5) wells. |
| 5 | Traffic control | Traffic Plan: A traffic plan will be done if required by Adams County. |
| 6 | Traffic control | Access Roads: Ward will utilize Highway and County roads as well as the agreed upon access road to the surface location per the SUA. Any required county permits will be obtained prior to use. |
| 7 | General Housekeeping | Loadlines: All loadlines shall be bullplugged or capped. |

| | | |
|----|--|--|
| 8 | General Housekeeping | Removal of Surface Trash: Per the SUA, Ward agrees that all trash, refuse pipe, equipment, liquids, chemicals of other materials that are not necessary for the continued operations of the wells will be removed and disposed of no later than 30 days after completion. No such items will be burned or buried on location. |
| 9 | General Housekeeping | Well Site Cleared: Per the SUA, Ward agrees that all trash, refuse pipe, equipment, liquids, chemicals of other materials that are not necessary for the continued operations of the wells will be removed and disposed of no later than 30 days after completion. No such items will be burned or buried on location. |
| 10 | Material Handling and Spill Prevention | Leak Detection Plan: To ensure protection for the surface during fracturing treatment, the location will be specifically constructed to contain any releases or spills. Secondary containment from any chemical spills or leaks will surround any trucks that carry, mix, or add chemicals to the flow stream as well as connections that could possibly leak fluid. Should any spill or release occur, every reasonable step will be taken to quickly remediate the area disturbed. |
| 11 | Material Handling and Spill Prevention | Control of Fire Hazards: Ward and its contractor's employ best management practices during the drilling and production of its wells and facilities. They will comply with appropriate COGCC and any county rules concerning fire and safety. Ward will ensure that any flammable material will remain no less than 25 feet from the wellhead(s), tanks and separator(s). |
| 12 | Construction | Berm Construction: A containment berm will be constructed around the oil and water storage tanks. The berm will be inspected regularly and maintained in good condition. |
| 13 | Construction | Fencing: Per the SUA, during drilling operations the well sites and any pits shall be fenced of required by the Owner. |
| 14 | Noise mitigation | Noise: No noise mitigation will required for this location. |
| 15 | Drilling/Completion Operations | Closed Loop System: Closed Loop System will be used for drilling and fluid management. No reserve pit will be used. |
| 16 | Drilling/Completion Operations | Green Completions: Ward will comply with COGCC Rule 805b.(3)A and utilize Green Completion Methods. |
| 17 | Drilling/Completion Operations | BOPE Testing: Upon initial rig-up and once every 30 days during drilling operations, pressure testing of the casing string and each component of the BOPE will be performed to 70% of working pressure or 70% of the internal yield of the casing, whichever is less. |
| 18 | Drilling/Completion Operations | BOPE for well servicing operations: Adequate blowout prevention equipment will be used on any servicing operations associated with this well. Backup staving valves shall be required on well servicing operations during reverse circulation. Valves will be pressure tested before each well servicing operation using both low-pressure and high-pressure fluid. |
| 19 | Drilling/Completion Operations | BOPE: Ward will utilize drilling rigs with a minumum of a double ram and annular preventer. |
| 20 | Drilling/Completion Operations | Drill Stem Tests: Drill Stem Tests are not anticipated for this location. |
| 21 | Drilling/Completion Operations | Tank specifications: Tanks shall be constructed and maintained in accordance with the National Fire Protection Association Code 30 (2008 version). All tanks will be visually inspected once a day for issues. Recorded inspections will be conducted once a month pursuant to 40 CFR §112. |
| 22 | Drilling/Completion Operations | Pit Level Indicators: Pit Level Indicators will not be needed as no pits will be used on location. |
| 23 | Final Reclamation | Identification of Plugged and Abandoned Wells: Pursuant to Rule 319.a.(5)., once the well has been plugged and abandoned, Ward will identify the location of the wellbore with a permanent monument that will detail the well name and date of plugging. |

Total: 23 comment(s)

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|---------------------------|-------------------------|
| 400525148 | FORM 2 SUBMITTED |
| 400527805 | WELL LOCATION PLAT |
| 400527807 | MULTI-WELL PLAN |
| 400527808 | LEGAL/LEASE DESCRIPTION |
| 400527809 | ACCESS ROAD MAP |
| 400527810 | DEVIATED DRILLING PLAN |
| 400527811 | DIRECTIONAL DATA |
| 400528302 | 30 DAY NOTICE LETTER |

Total Attach: 8 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| Permit | Returned to draft for the following: 1. Missing attached letter certifying notification of building unit owners in buffer zone. 2. Water well sampling should be for Rule 318A in Drilling & Waste Plans tab. | 12/17/2013 8:35:53 AM |

Total: 1 comment(s)