

FORM

2

Rev  
12/05

## State of Colorado

## Oil and Gas Conservation Commission

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03/11/2013

PluggingBond SuretyID

20120026

## 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: PEAKVIEW OPERATING COMPANY, LLC4. COGCC Operator Number: 104095. Address: 216 16TH STREET, SUITE 1450City: DENVER State: CO Zip: 802026. Contact Name: Terry Hoffman Phone: (720)542-8287 Fax: (303)820-4124Email: terry@rockymountainpermitting.com7. Well Name: Grassy Creek Well Number: 13-26

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

9. Proposed Total Measured Depth: 6760

## WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 26 Twp: 6N Rng: 87W Meridian: 6Latitude: 40.446943 Longitude: -107.121919

Footage at Surface: 2009 feet FNL/FSL 998 feet FEL/FWL FWL

11. Field Name: Grassy Creek Field Number: 3150012. Ground Elevation: 7077 13. County: ROUTT

## 14. GPS Data:

Date of Measurement: 10/23/2012 PDOP Reading: 1.8 Instrument Operator's Name: G.R. Dowling15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1947 FSL 717 FWL FWL Bottom Hole: FNL/FSL 1947 FSL 717 FWL FWL  
 Sec: 26 Twp: 6N Rng: 87W Sec: 26 Twp: 6N Rng: 87W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 2895 ft18. Distance to nearest property line: 998 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1133 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.)
CODELL	CODL			
Niobrara	NBRR			

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):

T6N R90W Sec. 26: N2SW, NW, NWNE

25. Distance to Nearest Mineral Lease Line: 612 ft

26. Total Acres in Lease: 280

### 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	26	20		0	120	315	120	0
SURF	14+3/4	9+5/8	36	0	2658	1755	2658	0
1ST	8+3/4	7	23	0	5455	445	5455	1600
1ST LINER	6+1/8	4+1/2	10.5	5255	6760	0		

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

33. Comments The distance to the nearest lease line was taken from the anticipated bottom-hole location of the Grassy Creek 13-26.

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: Kimberly J. Rodell

Title: Permit Agent for Peakview

Date: 3/11/2013

Email: kim@banko1.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: 12/28/2013

#### API NUMBER

05 107 06261 00

Permit Number: \_\_\_\_\_ Expiration Date: 12/27/2015

#### 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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

All formations in the openhole portion will be documented on the Form 5 Drilling Completion Report.

**Applicable Policies and Notices to Operators**

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

**Attachment Check List**

<b><u>Att Doc Num</u></b>	<b><u>Name</u></b>
2157398	EXCEPTION LOC REQUEST
400362670	FORM 2 SUBMITTED
400389301	DEVIATED DRILLING PLAN
400389302	WELL LOCATION PLAT
400389306	ACCESS ROAD MAP
400389307	TOPO MAP
400390643	DIRECTIONAL DATA
400390644	DRILLING PLAN

Total Attach: 8 Files

## General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Oper. submitted exc. loc. request ltr. Peakview is operator of nearest offset well. Peakview's waiver included in exc. loc. request letter. Oper. corrected dist. to nearest well. Added Codell as obj. fm. No LGD or public comments. Final Review--passed.	12/23/2013 8:08:59 AM
Permit	Sent oper. notice that application will be withdrawn by close of business 12/20/2013. Oper. advised that change in BHL and revised plat and deviated drilling plan to be submitted.	12/11/2013 9:45:46 AM
Engineer	Changed 7" (First String) casing top from 2658' to surface and changed 7" (First String) cement top from 2658' to 1600' to match the Drilling Plan casing program submitted with this Form 2.	11/13/2013 4:01:40 PM
Permit	Emailed oper. 30 day notice of withdrawal if req'd info for APD not received by 12/6/2013.	11/6/2013 8:00:21 AM
Permit	On hold pending receipt of exc. loc. req. ltr.	7/22/2013 8:56:45 AM
Permit	Req'd exception loc. req. ltr. Recalculated distance to nearest wellbore based on as built footages to be 1179'. Do not need waiver ltr. Corrected dist. to min. lease to 612' based on submitted well loc. plat.	6/17/2013 9:21:26 AM
Permit	Operator submitted revised distance to nearest well: 1223'.	3/26/2013 11:29:53 AM
Permit	Comment period extended 10 days to April 13, 2013 upon request of Routt County LGD.	3/26/2013 7:24:20 AM
Engineer	THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 800 FEET DEEP.	3/18/2013 2:23:32 PM
Permit	Disagree w/ dist. to min. lease (plat shows 612'). Disagree with distance to nearest well (1100'?) which makes location illegal per 318.a. #22b should "NA" since 2A says right to construct is lease. Corrected contact info.	3/14/2013 8:43:08 AM
Permit	Returned to draft. Directional data was uploaded but the directional data spreadsheet is not attached. Asked operator to try uploading again so the spreadsheet shows up as an attachment	3/12/2013 10:19:34 AM

Total: 11 comment(s)

## Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>