

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:

400539818

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Date Received:

01/15/2014

TYPE OF WELL OIL GAS COALBED OTHER UNPLANNED

Refiling

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Sidetrack

Well Name: Tailholt FD Well Number: 11-379HN

Name of Operator: GREAT WESTERN OPERATING COMPANY LLC COGCC Operator Number: 10110

Address: 1801 BROADWAY #500

City: DENVER State: CO Zip: 80202

Contact Name: Shannon Hartnett Phone: (303)398-0351 Fax: ()

Email: regulatorypermitting@gwogco.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20090080

WELL LOCATION INFORMATION

QtrQtr: NWNW Sec: 11 Twp: 6N Rng: 67W Meridian: 6

Latitude: 40.508314 Longitude: -104.868136

| | | | |
|---------------------|------------|------|------------|
| | FNL/FSL | | FEL/FWL |
| Footage at Surface: | <u>241</u> | feet | <u>547</u> |
| | FNL | | FWL |

Field Name: WATTENBERG Field Number: 90750

Ground Elevation: 4877 County: WELD

GPS Data:

Date of Measurement: 03/25/2013 PDOP Reading: 1.6 Instrument Operator's Name: R. 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 |
| | <u>460</u> | FNL | <u>470</u> | FWL | <u>470</u> | FSL | <u>570</u> |
| | | | | | | FWL | |
| | Sec: <u>11</u> | Twp: <u>6N</u> | Rng: <u>67W</u> | | Sec: <u>11</u> | Twp: <u>6N</u> | Rng: <u>67W</u> |

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: Surface Use Agreement

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.)

See attached map

Total Acres in Described Lease: 289 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: 460 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 424 Feet

Building Unit: 526 Feet

High Occupancy Building Unit: 3515 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 534 Feet

Above Ground Utility: 524 Feet

Railroad: 2927 Feet

Property Line: 241 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: 09/06/2013

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 563 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

W/2 Sec 11 T6N-R67W

OBJECTIVE FORMATIONS

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| NIOBRARA | NBRR | 407-830 | 320 | W/2 |

DRILLING PROGRAM

Proposed Total Measured Depth: 11905 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 563 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: Land application

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Other

Other Disposal Description:

Land application

Beneficial reuse or land application plan submitted? No

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 | 24 | 16 | 42 | 0 | 40 | 61 | 40 | 0 |
| SURF | 13+1/2 | 9+5/8 | 36 | 0 | 1025 | 426 | 1025 | 0 |
| 1ST | 8+3/4 | 7 | 23 | 0 | 7461 | 680 | 7461 | 6461 |
| 1ST LINER | 6+1/8 | 4+1/2 | 11.6 | 6554 | 11905 | | | |

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 Form 2 is being submitted as an unplanned sidetrack while drilling. Please see attachments with correspondence with COGCC and GWOG.

HZ offset well data has not changed even with the need to sidetrack this well. Please see previous API if that data is needed.

i)
While running the 4-1/2" production liner it became stuck at 10,587' MD due to tight hole in that section of the wellbore.

ii)
Total measured depth – 11,906' MD / 7,117' TVD

iii)
Casing Details:
9-5/8" set at 1,036' MD/TVD
7" set at 7485' / 7159' MD/TVD
(Fish) 4-1/2" stuck from 5287' to 10587' MD

iv)
FISH DETAIL AND DEPTHS:
The 4-1/2" liner will be cut and pulled from a depth of +/-8100'.
Top of Fish at 8,100'
Bottom of fish at 10,587'
All casing left in the hole will be 4-1/2", 11.6#, P-110, LTC.
The following completion equipment will also be left in the hole:
Float Shoe: 10,587', Float Collar: 10,538', Landing Collar: 10,491', RSI Port: 10,488'
DIESEL SWELL PACKERS: 10431', 10244', 10057', 9869', 9635', 9408', 9175', 8941', 8708', 8476', 8254'
SLIDING SLEEVES: 10346', 10159', 9972', 9738', 9504', 9277', 9043', 8810', 8578', 8346', 8114'

v)
No cement plugs will be set. The 4-1/2" liner will be recovered from between +/-8,800' and +/-8,000' and an open hole sidetrack will be carried out.

vi)
No cement plugs will be placed.

vii)
Wellbore will be sidetracked to the Niobrara B zone which is the same zone as the original hole.

viii) directional plan attached.

- Offsite tank battery location already approved. Location ID 431642
- Cement will be set at least 200 feet above the Niobrara
- Liner 1: uncemented liner with packers and ports

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 433845

Is this application being submitted with an Oil and Gas Location Assessment application? No

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

Signed: _____ Print Name: Shannon Hartnett

Title: _____ Date: 1/15/2014 Email: regulatorypermitting@gwogco.c

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 |
| 05 123 38582 01 |

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 | Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed well path with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottom hole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to COGCC with the Form 5. |
| 2 | Community Outreach and Notification | Great Western is aware of the Conditional Use Grant process with the Town of Severance and will comply with such process and COA's in addition to the granting of the COGCC permit. |
| 3 | General Housekeeping | General housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup is required to minimize any commingling of waste materials with storm water runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling. There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup will consist of patrolling the roadways, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly and promptly. |
| 4 | Noise mitigation | Noise levels will be maintained at levels not to exceed COGCC specifications currently in existence, measured at a point 350' from the noise source, or as defined by current COGCC regulations. Where possible, drilling rig engine exhaust will be vented away from occupied buildings. Light sources will likewise be directed downwards, and away from occupied structures where possible. No special noise mitigation efforts should be required at this site. Once the drilling and completion rigs leave the site, there will be no permanently installed lighting on site. |
| 5 | Drilling/Completion Operations | Great Western will comply with the "COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area", dated May 29, 2012 |

Total: 5 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|----------------------------|
| 400539818 | FORM 2 SUBMITTED |
| 400540552 | OffsetWellEvaluations Data |
| 400540557 | EXCEPTION LOC WAIVERS |
| 400540559 | EXCEPTION LOC REQUEST |
| 400540560 | SURFACE AGRMT/SURETY |
| 400540563 | MINERAL LEASE MAP |
| 400540568 | DEVIATED DRILLING PLAN |
| 400540603 | PLAT |
| 400540605 | CORRESPONDENCE |
| 400540669 | DIRECTIONAL DATA |

Total Attach: 10 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|-------------------------|
| Permit | Waived LGD due to unplanned sidetrack | 1/16/2014 8:24:40 AM |
| Permit | Horizontal unplanned Sidetrack. Form passes completeness. | 1/16/2014 8:18:44 AM |

Total: 2 comment(s)