

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:

400562285

APPLICATION FOR PERMIT TO:

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

Date Received:

02/27/2014

TYPE OF WELL OIL ☐ GAS ☐ COALBED ☒ OTHER Lateral 3Refilling ☒ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☒Well Name: Melson 34-7-24Well Number: #1Name of Operator: SAMSON RESOURCES COMPANYCOGCC Operator Number: 76104Address: TWO WEST SECOND STCity: TULSA State: OK Zip: 74103Contact Name: Judi KohnPhone: (303)222.0964Fax: ()Email: jkohn@samson.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: SWNW Sec: 19 Twp: 34N Rng: 6W Meridian: MLatitude: 37.178740Longitude: -107.549100
 Footage at Surface: 1866 feet FNL/FSL FNL 383 feet FEL/FWL FWL
Field Name: IGNACIO BLANCOField Number: 38300Ground Elevation: 6849County: LA PLATA

GPS Data:

Date of Measurement: 07/20/2011 PDOP Reading: 0.0 Instrument Operator's Name: Richard B. GabrielIf well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**Footage at Top of Prod Zone: FNL/FSL 848 FNL 684 FEL 660 FNL 1600 FEL/FWL FWL
 Sec: 24 Twp: 34N Rng: 7W Sec: 24 Twp: 34N Rng: 7W

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 ☒ IndianThe Minerals beneath this Oil and Gas Location will be developed by this Well: NoThe right to construct the Oil and Gas Location is granted by: applicant is owner

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.)

SHL: FEE, will not be produced by well
BHL and Top of Prod Zone: BIA 750-03-2003, N2NE4 & NW4 Section 24-T34N-R7W
Passes through but not produced: BIA 750-03-2002

(See attached mineral lease map)

Total Acres in Described Lease: 240 Described Mineral Lease is: ☐ Fee ☐ State ☐ Federal ☒ Indian

Federal or State Lease # 750-03-2003

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 660 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 450 Feet
Building Unit: 450 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 360 Feet
Above Ground Utility: 360 Feet
Railroad: 5280 Feet
Property Line: 80 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: 550 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 660 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.)
FRUITLAND COAL	FRLDC	112-181	320	N/2

DRILLING PROGRAM

Proposed Total Measured Depth: 6178 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 550 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? Yes

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 608

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Other

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Other

Other Disposal Description:

approved disposal facility

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	12+1/4	8+5/8	24	0	350	250	350	0
1ST	7+7/8	5+1/2	17	350	3564	258	3564	0
1ST LINER	4+3/4	2+7/8	6.4	3153	6178			

☒ 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? _____ No

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

Signed: _____ Print Name: Annaliese Kosmicki

Title: Lan Technician Date: 2/27/2014 Email: akosmicki@samson.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:  Director of COGCC Date: 4/8/2014

Expiration Date: 04/07/2016

API NUMBER

05 067 09884 03

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

	<p>1) Provide 48 hour notice via form 42</p> <p>2) Run and submit Directional Survey for primary well bore and for each lateral section</p> <p>3) The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the well bore complies with setback requirements in Commission orders and/or rules prior to producing the well.</p> <p>4) Sample and test two closest water wells within 1/4 mile swath of lateral wellbore Fruitland Coal (horizontal dimension – top to bottom of pay).</p> <p>5) Operators are required to obtain a bottom hole pressure utilizing a bottom hole gauge after a minimum 48 hour shut-in period following completion and prior to sales</p> <p>6) Comply with all applicable provisions of Order 112-181</p> <p>7) Borehole problems while drilling that require an additional sidetrack: Contact & discuss w/ COGCC Regional Engineer – Mark Weems within 24 hours of occurrence</p> <p>970-259-4587 off 970-749-0624 cell mark.weems@state.co.us</p>
	<p>Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire well bore and to adequately verify the setting depth of surface casing and aquifer coverage. On a multi-well pad, these open hole logs are only required on one of the first wells drilled on the pad and the Drilling Completion Report - Form 5 for every well on the pad shall identify which well was logged.</p>

Best Management Practices

No BMP/COA Type

Description

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Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400562285	FORM 2 SUBMITTED
400562294	DIRECTIONAL DATA
400562295	DEVIATED DRILLING PLAN
400562296	MINERAL LEASE MAP
400562297	WELL LOCATION PLAT
400562298	WELL LOCATION PLAT
400562299	OIL & GAS LEASE
400562300	WAIVERS
400562301	WAIVERS
400562302	EXCEPTION LOC REQUEST
400562303	OTHER

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	3/31/2014 3:15:37 PM
Permit	Waiting on BMPS to address mitigation. Operator sent an email listing a few BMP's which were posted in the BMP tab.	3/31/2014 1:05:57 PM
Permit	This permit is the lateral of a pilot/lateral drilling plan. Three horizontal laterals will be drilled from the pilot. This permit is the third lateral and should have a sidetrack (03)designation in the API number. API number filled in.	3/31/2014 9:16:18 AM
Permit	Operator revised lease description and confirmed salt mud.	3/4/2014 2:05:34 PM
Permit	Will salt based muds be used on the laterals?	3/4/2014 1:13:55 PM
Permit	An exception is requested per rule 604.b.(1).a. The Director may grant this exception if mitigation measures minimize the impacts of noise, odors, light, dust and similiar issues.	3/4/2014 1:12:57 PM
Permit	The lease description says N/2SE4. It should possibly be N/2NE4.	3/4/2014 1:12:50 PM
Permit	Operator is requesting a property line exception. Waivers attached.	3/4/2014 1:11:11 PM
Permit	This form has passed completeness.	2/28/2014 11:29:50 AM

Total: 9 comment(s)