

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:

400557156

APPLICATION FOR PERMIT TO:

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

Date Received:

02/27/2014

TYPE OF WELL OIL ☐ GAS ☐ COALBED ☒ OTHER Pilot Hole

Refilling ☒

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Melson 34-7-24

Well Number: #1

Name of Operator: SAMSON RESOURCES COMPANY

COGCC Operator Number: 76104

Address: TWO WEST SECOND ST

City: TULSA State: OK Zip: 74103

Contact Name: Judi Kohn

Phone: (303)222.0964

Fax: ()

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: M

Latitude: 37.178740

Longitude: -107.549100

Footage at Surface: 1866 feet FNL/FSL FNL 383 feet FEL/FWL FWL

Field Name: IGNACIO BLANCO

Field Number: 38300

Ground Elevation: 6849

County: LA PLATA

GPS Data:

Date of Measurement: 07/20/2011 PDOP Reading: 0.0 Instrument Operator's Name: Richard B. Gabriel

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

Footage at Top of Prod Zone: FNL/FSL 848 FNL 684 FEL 668 FNL 833 FEL 668

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 ☒ Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: No

The 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.

BHL and Top of Production: BIA 750-03-2003, N2NE4 & NW4 Section 24-T34N-R7W

Passes through but not produced: BIA 750-03-2002, S2NE4 Section 24-T34N-R7W

(see also 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: 652 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: 1150 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 668 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: 3564 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1150 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	14	350	3564	258	3564	0

☒ 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 Please see attached previously approved Exception Location request and recorded Waivers with the Surface Owners. Army Corp Permit also attached. Nothing has changed since the last filing of this permit.

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: Land 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 00

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.

<u>COA Type</u>	<u>Description</u>
	<p>1) Provide 48 hour notice via form 42</p> <p>2) Provide cement coverage of production casing from TD to surface. Verify cement coverage with Cement Bond Log.</p> <p>3) Run and submit Directional Survey for primary well bore and for each lateral section</p> <p>4) 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>5) 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>6) 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>7) Comply with all applicable provisions of Order 112-181</p> <p>8) Borehole problems encountered while drilling that require an unplanned sidetrack: Contact, discuss & receive prior approval from COGCC Regional Engineer – Mark Weems</p> <p>970-259-4587 off 970-749-0624 cell mark.weems@state.co.us</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.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Noise mitigation	<p>Well, 1 and 3 would apply as it is a shared property line. The other surface owner does not live in the immediate vicinity so the hotel was not necessary.</p> <p>1)Planting 10 red maple trees on west side for visual and noise mitigation - Yes</p> <p>2)Putting up the landowners in a hotel during drilling and future workover operations</p> <p>3)Putting sound walls around any production equipment making noise facing landowner - Yes</p> <p>The effects of 1 & 3 would apply to both but the actual mitigation only applies on the one landowner surface agreement.</p> <p>The trees will be planted and the sound walls will be constructed on the 1 landowner but the other will receive the benefits indirectly.</p> <p>There was no need for separate mitigations on the adjacent landowner.</p>

Total: 1 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
1857420	SELECTED ITEMS REPORT
400557156	FORM 2 SUBMITTED
400558714	DIRECTIONAL DATA
400561486	WELL LOCATION PLAT
400561487	EXCEPTION LOC WAIVERS
400561488	EXCEPTION LOC WAIVERS
400561490	EXCEPTION LOC REQUEST
400561491	DEVIATED DRILLING PLAN
400561492	MINERAL LEASE MAP
400561516	WELL LOCATION PLAT
400561903	OIL & GAS LEASE
400563476	OTHER

Total Attach: 12 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 3:08:55 PM
Permit	This permit is the pilot of a pilot/lateral drilling plan. This is a directional pilot with three horizontal laterals. API number filled in.	3/31/2014 9:06:11 AM
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 9:02:04 AM
Permit	Operator revised lease description.	3/4/2014 2:00:05 PM
Permit	Operator is requesting a property line exception. Waivers attached.	3/4/2014 1:03:17 PM
Permit	An exception is requested per rule 604.b.(1).a. Mitigation measures required.	3/4/2014 12:32:46 PM
Permit	Lease description says N/2SE4. It should possibly be N/2NE4.	3/4/2014 12:12:48 PM
Permit	This form has passed completeness.	2/28/2014 10:06:59 AM

Total: 8 comment(s)