

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:

400473086

APPLICATION FOR PERMIT TO:

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

Date Received:

08/27/2013

TYPE OF WELL OIL ☐ GAS ☐ COALBED ☐ OTHER disposal wellRefiling ☒ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☐

Well Name: FGSU

Well Number: 4-41 WD

Name of Operator: GENESIS GAS & OIL COLORADO LLC

COGCC Operator Number: 10384

Address: 1701 WALNUT STREET - 4TH FL

City: KANSAS CITY

State: MO

Zip: 64108

Contact Name: Robert Behner

Phone: (816)2227500

Fax: ()

Email: BBehner@GenesisGO.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: Lot 17 Sec: 4 Twp: 1N Rng: 100W Meridian: 6

Latitude: 40.079086

Longitude: -108.627331

Footage at Surface: 530 feet FNL/FSL FSL 1211 feet FEL/FWL FWL

Field Name: FLETCHER GULCH

Field Number: 24062

Ground Elevation: 6294

County: RIO BLANCO

GPS Data:

Date of Measurement: 07/25/2008 PDOP Reading: 2.4 Instrument Operator's Name: Richard Bullen

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

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☐ Fee ☐ State ☒ Federal ☐ IndianThe 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: YesThe right to construct the Oil and Gas Location is granted by: oil and gas lease

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.)

Lots 5-20 Sec.4-T1N-R100W-6th PM and Lots 5,6,11-14,19,20 Sec.5-T1N-R100W-6th PM and Lots 1-16 Sec.8-T1N-R100W_6th PM and Lots 1-16 Sec.9-T1N-R100W-6th PM

Total Acres in Described Lease: 2241 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC063322

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 3860 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 Feet
Building Unit: 5280 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 1400 Feet
Above Ground Utility: 5280 Feet
Railroad: 5280 Feet
Property Line: 5280 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: 1305 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 3860 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): Fletcher Gulch Unit Number: COC68958X

SPACING & FORMATIONS COMMENTS

Fletcher Gulch Shallow Unit

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
WILLIAMS FORK-CAMEO COAL	WFCMC			

DRILLING PROGRAM

Proposed Total Measured Depth: 3100 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1305 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 609

DRILLING WASTE MANAGEMENT PROGRAM

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

Cuttings Disposal: ONSITE Cuttings Disposal Method: Other

Other Disposal Description:

any cuttings will be tested treated and/or farmed and buried

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	9+5/8	36	0	500	200	500	0
1ST	8+3/4	7	20	0	3100	230	3100	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 1) subject location has been built - the well has not been drilled
2) subject well will be drilled with a closed loop process - no pits have been dug
3) the refiled well will not require expansion or additional surface disturbance of the pad
4) the location does not require a variance from any of the rules listed in Rule 306.d.(1).(A).(iii); consultation with CDPHE is not required
5) the location is not in a wildlife restricted surface occupancy area (RSO); consultation with CDOW is not required.
There are no changes to the location as originally permitted
The TD & casing plan have been changed

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

Location ID: 414116

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: Sheryl M. Hull

Title: Agent Date: 8/27/2013 Email: Sheryl@MyersEnergyServices.

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: 4/11/2014

Expiration Date: 04/10/2016

API NUMBER

05 103 11565 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.

COA Type**Description**

	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.
	COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED. SEE ATTACHED NOTICE. APPROVAL OF THIS FORM DOES NOT AUTHORIZE INJECTION. AUTHORIZATION TO INJECT REQUIRES APPROVAL OF FORM 31 AND FORM 33. BEFORE STIMULATING THE OBJECTIVE INJECTION FORMATION(S), COLLECT WATER SAMPLE(S) AND ANALYZE FOR TOTAL DISSOLVED SOLIDS. PRIOR APPROVAL OF FORM 4 IS REQUIRED FOR STEP RATE AND INJECTIVITY TESTS.

Best Management Practices**No BMP/COA Type****Description**

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Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num **Name**

400473086 FORM 2 SUBMITTED

400473165 LOCATION DRAWING

Total Attach: 2 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed. No LGD comments.	4/9/2014 9:07:49 AM
Engineer	THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 00 FEET DEEP.	9/13/2013 3:25:10 PM
Engineer	sent OPR REPs email asking if this well is an injection/disposal well. 9/13: yes -- is a disposal well.	9/13/2013 2:47:16 PM
Permit	Corrected distance to lease. Added casing depth. Need amended 2A for pad expansion?	9/11/2013 11:02:48 AM
Permit	This form has passed completeness.	8/29/2013 3:31:53 PM
Permit	Returned to draft: 1) TD and casing program change from original permit. 2) Groundwater Sampling Rule should be 609.	8/28/2013 1:49:35 PM
Permit	Returned to draft: 1) need five refile comments 2) need comment that no changes to original permit in well design or location. 3) ground elev. does not agree w/ previously submitted well loc. plat.	8/28/2013 12:15:12 PM

Total: 7 comment(s)