

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:

400597797

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☐ GAS ☐ COALBED ☐ OTHER INJECTION

Refilling ☐

ZONE TYPE SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☐

Sidetrack ☐

Date Received:

05/22/2014

Well Name: HPD PLATTEVILLE

Well Number: 2

Name of Operator: HIGH PLAINS DISPOSAL INC

COGCC Operator Number: 10258

Address: 1900 SOUTH SUNSET ST #1F

City: LONGMONT

State: CO

Zip: 80501-6599

Contact Name: RUBEN MARKARIAN

Phone: (720)420-5700

Fax: (720)420-5800

Email: ruben.markarian@iptenergyservices.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20110001

WELL LOCATION INFORMATION

QtrQtr: NENE Sec: 24 Twp: 3N Rng: 66W Meridian: 6

Latitude: 40.217430

Longitude: -104.717780

Footage at Surface: 260 feet FNL/FSL FNL 566 feet FEL/FWL FEL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 5026

County: WELD

GPS Data:

Date of Measurement: 04/09/2014 PDOP Reading: 2.2 Instrument Operator's Name: BRIAN ROTTINGHAUS

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

Footage at Top of Prod Zone: FNL/FSL FNL/FWL Bottom Hole: FNL/FSL FEL/FWL
2546 FSL 242 FEL 2546 FSL 242 FEL
Sec: 24 Twp: 3N Rng: 66W Sec: 24 Twp: 3N Rng: 66W

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.)

This is a commercial disposal well and minerals will not be produced by this well.

Total Acres in Described Lease: _____ 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: 242 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 504 Feet

Building Unit: 911 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 253 Feet

Above Ground Utility: 234 Feet

Railroad: 5280 Feet

Property Line: 210 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: 04/16/2014

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 2428 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 242 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Injecting into Denver Basin Combined Disposal Zone (DJINJ).

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Admire	ADMI			
AMAZON	AMZN			
COUNCIL GROVE	COUGR			
DENVER BASIN COMBINED DISPOSAL ZONE	DJINJ			
FOUNTAIN	FNTN			
INGLESIDE	IGLD			
LOWER SATANKA	LSTKA			
LYONS	LYNS			
MISSOURI	MSSR			
VIRGIL	VRGL			
WOLFCAMP	WFCMP			

DRILLING PROGRAM

Proposed Total Measured Depth: 11023 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 601 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: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

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
SURF	12+1/4	9+5/8	36	0	800	420	800	0
1ST	8+3/4	7	26	0	9536	230	9568	8040
1ST LINER	6+1/8	4+1/2	11.6	9336	11023			
			Stage Tool		8040	1220	8040	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 Forms 31 & 33 submitted via hand delivery. Form 2/2A submitted same day via eForm.
Offset well evaluation not required for directional well.
The nearest well that penetrates the same formation is the the injection well HPD Platteville 1 [05-123-29168]. The applicant is also Operator of the HPD Platteville 1.
Scaled Facility Drawing attachment marked as "other."

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

Location ID: _____

Is this application being submitted with an Oil and Gas Location Assessment application? _____ Yes

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

Signed: _____ Print Name: RUBEN MARKARIAN

Title: ENGINEER Date: 5/22/2014 Email: ruben.markarian@iptenergyser

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: 6/26/2014

Expiration Date: 06/25/2016

API NUMBER

05 123 39710 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

	1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU. 2) Comply with Rule 317.i and provide cement coverage from end of 7" casing to a minimum of 200' above Niobrara and from 200' below the Sussex to 200' above Sussex. Verify coverage with cement bond log. 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.
	1. Injection is not authorized until approval of forms 31 and 33. 2. Prior approval of form 4 is required for step rate and injectivity tests. 3. Retrieve water sample before stimulating formation.

Best Management Practices

No BMP/COA Type

Description

1	Drilling/Completion Operations	Bradenhead Monitoring BMP: Operator will comply with COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.
2	Drilling/Completion Operations	Anti-Collision BMP: 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 wells. 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 wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole 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.

Total: 2 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

Attachment Check List

Att Doc Num

Name

1696232	WELL LOCATION PLAT
2482757	SURFACE CASING CHECK
400597797	FORM 2 SUBMITTED
400612046	OTHER
400612065	DIRECTIONAL DATA
400612066	DEVIATED DRILLING PLAN
400612661	EXCEPTION LOC REQUEST

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	6/25/2014 11:18:03 AM
Permit	Per operator distance to building unit changed from 525' to 911'. Attached updated Well Location Plat. Surface Owner is the applicant No Exception Location Waiver needed. ok to pass.	6/25/2014 8:09:37 AM
Permit	ok to pass.	6/20/2014 3:32:02 PM
Engineer	Offset wells evaluated.	6/11/2014 8:59:18 AM
Engineer	Offset wells evaluated.	6/10/2014 2:26:08 PM
UIC	(1)APPROVAL OF THIS FORM DOES NOT AUTHORIZE INJECTION. AUTHORIZATION TO INJECT REQUIRES APPROVAL OF FORM 31 AND FORM 33. (2)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.	5/26/2014 3:05:05 PM
UIC	Form 31 and 33 submitted 5/22/2014 via CD in mail.	5/26/2014 2:59:21 PM
Permit	Passed completeness	5/22/2014 2:08:36 PM
Permit	Return to draft: 1. Plugging and abandonment surety ID is not valid 2. Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease is blank	5/22/2014 1:31:38 PM

Total: 9 comment(s)