

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:

400611165

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☒

Date Received:

05/20/2014

Well Name: UNION PACIFIC

Well Number: 10-21

Name of Operator: CHEVRON PRODUCTION COMPANY

COGCC Operator Number: 16700

Address: 100 CHEVRON RD

City: RANGELY State: CO Zip: 81648

Contact Name: ROY CRAMER

Phone: (970)675-3719

Fax: (970)675-3800

Email: RWCR@CHEVRON.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 19810003

WELL LOCATION INFORMATION

QtrQtr: SWSE Sec: 21 Twp: 2N Rng: 102W Meridian: 6

Latitude: 40.123185

Longitude: -108.846084

Footage at Surface: 716 feet FNL/FSL FSL 2089 feet FEL/FWL FEL

Field Name: RANGELY

Field Number: 72370

Ground Elevation: 5344

County: RIO BLANCO

GPS Data:

Date of Measurement: 07/07/2006 PDOP Reading: 2.9 Instrument Operator's Name: J FLOYD

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 ☐ 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 LEASE MAP

Section 16 NWSW & SWSW, Section 17 NESE & SESE, Section 20 Full SW Qtr & NWSE & SWSE & NENE & SENE, Section 21 NWNW & SWNW & SENW & FULL NE QTR & NESW & SESW & NWSE & SWSW, Section 22 NWNW & SWNW, Section 29 NENW & SENW & NWNE & SWNE & SESW & SWSW & NWNE & SWNE & NWSE. Section 28 FULL NW QTR & NWSW & NESW.

Total Acres in Described Lease: 1560 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: 705 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: 4380 Feet

Above Ground Utility: 0 Feet

Railroad: 5280 Feet

Property Line: 705 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: 921 Feet

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

Federal or State Unit Name (if appl): Rangely Weber Unit Number: COC47675X

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.)
WEBER	WEBR			

DRILLING PROGRAM

Proposed Total Measured Depth: 6510 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 921 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? Yes (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 N/A

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Recycle/reuse

Cuttings Disposal: ONSITE Cuttings Disposal Method: Cuttings trench

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
CONDUCTOR	20+0/4	16	55	0	43	70	43	0
SURF	13+3/4	10+3/4	50	0	1019	425	1019	0
1ST	8+1/4	7	23	0	6010	1000	6010	
1ST LINER	6+1/8	5	18	5700	6505	207	6505	

☐ 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 Chevron requests approval to plugback original Weber formation wellbore, sidetrack past the parted 5" liner, TD in Weber formation, run liner, perforate, fracture stimulate and return the well to production with a electrical submersible pump.

Conductor, Surface String and First String casing run in December 1945. First liner was run in February 1985. Second liner will be run in sidetracked wellbore.

The sidetrack will not be directional or horizontal drilling.

No changes to the existing wellpad or surface facilities.

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

Location ID: 314428

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: DIANE L PETERSON

Title: PERMITTING SPECIALIST Date: 5/20/2014 Email: DLPE@CHEVRON.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: 7/31/2014

Expiration Date: 07/30/2016

API NUMBER

05 103 05685 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

(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED. SEE ATTACHED NOTICE.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	Chevron trains all employees in safe work practices, environmental health and to make sure that all personal protective equipment is available and being used correctly. Chevron has a zero tolerance policy regarding drug usage with a compliance program to help reinforce this policy.
2	Storm Water/Erosion Control	Chevron Rangely Weber Sand Unit has a STORM WATER MANAGEMENT PLAN, prepared under the provisions of the Colorado Water Quality Control Commission Permit No. COR-03F3434. This well location is covered in that plan.
3	Material Handling and Spill Prevention	Chevron Rangely Weber Sand Unit has a SPILL PREVENTION CONTROL AND COUNTERMEASURE PLAN, all employees are instructed on the contents of the plan and specific personnel are trained in oil- handling duties. Chevron will ensure 110 percent secondary containment for any volume of fluids contained at the well site during the drilling and completion operations.

Total: 3 comment(s)

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400611165	FORM 2 SUBMITTED
400611467	LEASE MAP
400611500	OTHER
400611502	WELLBORE DIAGRAM
400611572	H2S CONTINGENCY PLAN

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	New SHL footages from 2006 surveyor reading. Oper. has no new well location plat. SUA is part of the Rangely Weber Sand Unit SUA, dated 1958. Utility line will be locked out before workover rig moved onto location. No LGD or public comments. Final Review--passed.	7/31/2014 1:25:57 PM
Engineer	THE PROPOSED SURFACE CASING SHOULD BE MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THERE ARE NO WATER WELLS WITHIN 1-MILE OF THE SURFACE LOCATION. Sidetrack #1. Changed API # from 103-05685-00 to 103-05685-01. Removed old liner that will be plugged back.	5/23/2014 4:42:35 PM
Permit	Passed completeness. Water well rule sampling selected as N/A. Not sure if 609 does or does not apply since last drilled in 1979.	5/21/2014 10:09:18 AM

Total: 3 comment(s)