

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:

400574993

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER _____

Refiling ☒

Date Received:

05/23/2014

ZONE TYPE SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☒

Sidetrack ☐

Well Name: Borich 11-89-32

Well Number: 1

Name of Operator: SG INTERESTS I LTD

COGCC Operator Number: 77330

Address: 1485 FLORIDA RD #C202

City: DURANGO State: CO Zip: 81301

Contact Name: Catherine Dickert

Phone: (970)3850696

Fax: (970)3850636

Email: cdickert@sginterests.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20030098

WELL LOCATION INFORMATION

QtrQtr: NWSE Sec: 32 Twp: 11S Rng: 89W Meridian: 6

Latitude: 39.053220

Longitude: -107.358140

Footage at Surface: 1435 feet FNL/FSL FSL 2314 feet FEL/FWL FEL

Field Name: WILDCAT

Field Number: 99999

Ground Elevation: 7029

County: GUNNISON

GPS Data:

Date of Measurement: 10/31/2011 PDOP Reading: 0.2 Instrument Operator's Name: David Nicewicz

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: 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.)

See lease attached to previous APD, SW/4, W2SE/4

Total Acres in Described Lease: 240 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: 500 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 440 Feet
Building Unit: 1800 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 900 Feet
Above Ground Utility: 900 Feet
Railroad: 5280 Feet
Property Line: 600 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: 2575 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 2314 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): Bull Mountain Unit Number: COC67120X

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.)
CAMEO COAL	CMEOC			
CORCORAN	CRCRN			
COZZETTE	COZZ			
MESAVERDE COAL	MVRDC			

DRILLING PROGRAM

Proposed Total Measured Depth: 4350 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 2575 Feet (Including plugged wells)

Will a closed-loop drilling system be used? No

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: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

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
CONDUCTOR	26	16	50	0	80	185	80	0
SURF	12+1/4	9+5/8	40	0	430	220	430	0
1ST	8+1/2	5+1/2	17	0	4350	550	4350	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

This refile changes the well type from CBM to gas as the primary objective is not coalbed methane (checked rule 609). We have obtained a surface use agreement from the landowner since the original form was filed. We included the recorded notice of this agreement in this submittal.

There have been no changes to the location.

I certify that there have been no changes on land use, lease description.

The pad has not been built.

No pit will be used.

There will be no additional surface disturbance (beyond that described in the permitting documents).

The location does not require a variance from any of the rules listed in Rule 306.d.(1).(A).(ii).

The location is not within a wildlife Restricted Surface Occupancy Area.

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

Location ID: 429139

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: Catherine Dickert

Title: Env & Permit Manager Date: 5/23/2014 Email: cdickert@sginterests.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: 11/24/2014

Expiration Date: 11/23/2016

API NUMBER

05 051 06108 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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED. SEE ATTACHED NOTICE. 2) OPERATOR SHALL INCREASE SURFACE CASING SETTING DEPTH TO 430' AND ADJUST CEMENT QUANTITY AS NECESSARY TO PROVIDE A FULL COLUMN OF CEMENT TO SURFACE. 3) CEMENT ON PRODUCTION CASING MUST EXTEND INTO THE SURFACE CASING (MINIMUM 200' LAP ABOVE SURFACE CASING SHOE) TO PROVIDE ISOLATION OF ALL CRETACEOUS (MESA VERDE) AND TERTIARY (WASATCH) OIL, GAS, AND WATER-BEARING SANDSTONE AND COALBED FORMATIONS THAT ARE NOT OTHERWISE COVERED BY SURFACE CASING. VERIFY PRODUCTION CASING CEMENT COVERAGE WITH A CBL.
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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

2167908	LOCATION PICTURES
400574993	FORM 2 SUBMITTED
400575171	SURFACE AGRMT/SURETY

Total Attach: 3 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Engineer	Offset Well Evaluation: No existing offset oil and gas wells within 1,500 feet of this wellbore.	11/24/2014 2:26:06 PM
Permit	Lease line is a CDOT ROW held by the Bull Mountain Unit. Final review complete.	11/24/2014 9:55:37 AM
Permit	Added refile statements in opr comments as per opr request. Building at 440' is a hay shed. See attached photo. Lease line is a CDOT ROW held by the Bull Mountain Unit.	11/19/2014 10:16:07 AM
Permit	Lease attached to previous APD, SW/4, W/2 SE/4. Need to identify bldg. at 440' Nearest lease line is 1435' not 1000' Need refile statements. E-mailed Opr for corrections.	10/30/2014 10:51:11 AM
Permit	Requested operator supply acceptable "refile" statements.	7/29/2014 6:29:50 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 400 FEET DEEP. THE DEEPEST WATER WELL WITHIN 1 MILE IS TO AN ELEVATION OF 6670'. THE SURFACE CASING MUST BE INSTALLED TO AT LEAST ELEVATION 6620' OR 409' DEEP. Verify SC depth needed- could be only 625' to MVRD top. Emailed operator 5/29/2014. Pushed form to on hold on 6/9/14. Operator has not responded to email. Spoke with operator 6/19/14. Operator concurred with increasing surface casing depth to 430'. Changed surface casing setting depth on casing tab to 430'.	5/29/2014 10:27:10 AM
Permit	Passed completeness	5/23/2014 3:22:01 PM

Total: 7 comment(s)