

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:

400718906

APPLICATION FOR PERMIT TO:

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

Date Received:

10/28/2014

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Cascade Creek

Well Number: 697-15-01

Name of Operator: OXY USA WTP LP

COGCC Operator Number: 66571

Address: 760 HORIZON DR #101

City: GRAND JUNCTION

State: CO

Zip: 81506

Contact Name: Joan Proulx

Phone: (970)263-3641

Fax: (970)263-3694

Email: joan_proulx@oxy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20060137

WELL LOCATION INFORMATION

QtrQtr: NWNW Sec: 15 Twp: 6S Rng: 97W Meridian: 6

Latitude: 39.529140

Longitude: -108.213640

Footage at Surface: 362 feet FNL/FSL FNL 504 feet FEL/FWL FWL

Field Name: GRAND VALLEY

Field Number: 31290

Ground Elevation: 8347

County: GARFIELD

GPS Data:

Date of Measurement: 10/27/2011 PDOP Reading: 1.1 Instrument Operator's Name: J Seal

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: 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.)

See attached Mineral Lease Description.

Total Acres in Described Lease: 9640 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: 4772 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 4700 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 5280 Feet

Above Ground Utility: 5280 Feet

Railroad: 5280 Feet

Property Line: 255 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: 4700 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 2230 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: COC056300

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.)
WASATCH	WSTC			

DRILLING PROGRAM

Proposed Total Measured Depth: 8825 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 375 Feet (Including plugged wells)

Will a closed-loop drilling system be used? _____

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? _____ (If Yes, attach an H₂S Drilling Operations Plan)

Will salt sections be encountered during drilling? _____

Will salt based (>15,000 ppm Cl) drilling fluids be used? _____

Will oil based drilling fluids be used? _____

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: _____ Drilling Fluids Disposal Methods: _____

Cuttings Disposal: _____ Cuttings Disposal Method: _____

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	20	16	65	0	77	4	77	0
SURF	14+3/4	9+5/8	36	0	2418	779	2418	0
1ST	8+3/4	4+1/2	11.6	0	8810	2370	8810	2460

☐ 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 OXY is proposing to re-enter the 697-15-01 well which is located on the 697-15-01 pad (location #335921). The 697-15-01 pad is an existing pad with 18 producing wells and the 697-15-01 well which is shut in. There will be no additional surface disturbance to the pad.
OXY will temporarily plug off and isolate the Williams Fork formation by setting a CIBP at 6670'. The top perf in the Williams Fork is at 6710' and the top of fish is at 7501'. Tubing will be set and the Wasatch formation will be perf'd; the anticipated perf zones are from 4306' to 4316'. Green completions will be utilized. Per my conversation with Arthur Koepsell on 10/14/2014, no baseline water sampling is required on a re-entry procedure.

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

Location ID: 335921

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: Joan Proulx

Title: Regulatory Date: 10/28/2014 Email: joan_proulx@oxy.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: 11/28/2014

Expiration Date: 11/27/2016

API NUMBER

05 045 10686 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) Operator shall comply with the most current revision of the Northwest Notification Policy. See attached notice.
- 2) The operator shall perform an MIT prior to stimulation. The current test of 298 psi was within the error range of the chart measurement.
- 3) Offset Well Evaluation: COGCC Engineering contacted operator on 11/07/2014, concerned about potential for this proposed well to communicate with offset wells during stimulation.
Existing Offset Producing Wells of Concern: API#045-13983 CASCADE CREEK 697-09-64, API#045-13985 CASCADE CREEK 697-15-09A, API#045-13988 CASCADE CREEK 697-15-17B, API#045-13997 CASCADE CREEK 697-15-01A, API# 045-19503 Cascade Creek 697-15-26, API# 045-18009 Cascade Creek 697-09-64A, API# 045-18055 Cascade Creek 697-15-09B, and API# 045-19501 Cascade Creek 697-15-17A. Operator responded on 11/20/2014, and operator agrees to mitigate by performing the following: monitor the bradenhead pressures per Operator BMP #1.
- 4) Submit new Form 5A(s) after the work to temporarily abandon the Williams Fork completion and to add the Wasatch completion.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	During the Wasatch recompletion operations, OXY will monitor the bradenhead pressure of the wells listed in COA#3. The wells are monitored by our SCADA system, and the bradenhead pressures will be continuously monitored during the recompletion operations. If a bradenhead pressure reaches 200 psi above the baseline pressure for that specific well, the recompletion operations will be shut down, a Form 42 will be submitted within 24 hours and plans will be made to remediate the well with the high bradenhead pressure.

Total: 1 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>
400718906	FORM 2 SUBMITTED
400718914	WELLBORE DIAGRAM
400718915	WELLBORE DIAGRAM
400719250	DRILLING PLAN

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Engineer	Note regarding operator's comment: This is a recomplete procedure, not a re-entry procedure.	11/28/2014 10:21:22 AM
Engineer	Changed surface string sacks of cement from 400 to 779, as shown on the surface casing cement ticket, COGCC Document No. 1623615 (579 sacks lead plus 200 sacks tail).	11/28/2014 9:33:41 AM
Permit	Final review complete.	11/28/2014 8:51:10 AM
Permit	Corrected distance to nearest wellbore and notified opr. Ready to pass pending Engineering approval.	11/24/2014 9:27:53 AM
Engineer	Changed production casing TOC to 2460' per CBL doc #1263839. Emailed operator regarding offset well mitigation. Form placed on hold pending operator reply. Finalized offset well mitigation agreement with operator on 11/20/2014. Four well files updated with additional information (liner cementing summaries and wellbore diagrams).	11/6/2014 7:52:11 AM
Permit	Passed Completeness	11/3/2014 10:23:45 AM

Total: 6 comment(s)