

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:

400712204

APPLICATION FOR PERMIT TO:

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

Date Received:

12/04/2014

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

Well Name: Federal RU

Well Number: 44-5

Name of Operator: WPX ENERGY ROCKY MOUNTAIN LLC

COGCC Operator Number: 96850

Address: 1001 17TH STREET - SUITE #1200

City: DENVER State: CO Zip: 80202

Contact Name: Reed Haddock

Phone: (303)606-4086

Fax: (303)629-8268

Email: reed.haddock@wpxenergy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: NENW Sec: 8 Twp: 7S Rng: 93W Meridian: 6

Latitude: 39.465600

Longitude: -107.800651

Footage at Surface: 587 feet FNL/FSL FNL 1975 feet FEL/FWL FWL

Field Name: RULISON

Field Number: 75400

Ground Elevation: 7738

County: GARFIELD

GPS Data:

Date of Measurement: 10/14/2014 PDOP Reading: 1.8 Instrument Operator's Name: J. Kirkpatrick

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

 588 FSL 668 FEL 588 FSL 668 FEL
 Sec: 5 Twp: 7S Rng: 93W Sec: 5 Twp: 7S Rng: 93W

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 ☐ 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.)

Lease attached.

Total Acres in Described Lease: 1321 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC41916

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 588 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5119 Feet

Building Unit: 5119 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 4806 Feet

Above Ground Utility: 1018 Feet

Railroad: 5280 Feet

Property Line: 725 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: 326 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 588 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Sec. 5 is an irregular section.

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 | WMFK | 139-76 | 403 | All |

DRILLING PROGRAM

Proposed Total Measured Depth: 10658 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 326 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: Recycle/reuse

Cuttings Disposal: ONSITE Cuttings Disposal Method: Cuttings trench

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 | 18 | 48# | 0 | 60 | 25 | 60 | 0 |
| SURF | 13+1/2 | 9+5/8 | 32.3# | 0 | 1200 | 315 | 1200 | 0 |
| 1ST | 8+3/4 | 4+1/2 | 11.6# | 0 | 10658 | 982 | 10658 | 6597 |

☐ 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 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: Reed Haddock

Title: Regulatory Specialist Sta _____ Date: 12/4/2014 Email: reed.haddock@wpenergy.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: 1/15/2015

Expiration Date: 01/14/2017

API NUMBER

05 045 22756 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) Operator shall comply with the most current revision of the Garfield County Rulison Field Notice to Operators, with the following exception: All field notice requirements specified in that Notice to Operators are superseded by the requirements of the most current revision of the Northwest Colorado Notification Policy (see Condition of Approval #1). See attached notice.
- (3) Operator shall comply with the most current revision of the Mamm Creek Field Notice to Operators, with the following exception: All field notice requirements specified in that Notice to Operators are superseded by the requirements of the most current revision of the Northwest Colorado Notification Policy (see Condition of Approval #1). See attached notice.
- (4) Operator shall comply with the Notice to Operators Drilling Wells in the Buzzard, Mamm Creek, and Rulison fields, Garfield County and Mesa County – Procedures and Submittal Requirements for Compliance with COGCC Order Nos. 1-107, 139-56, 191-22, and 369-2 (July 8, 2010). See attached notice.
- (5) Operator shall provide cement coverage from the production casing shoe to a minimum of 200' above all Mesa Verde Group (and Ohio Creek Formation, if present) oil, gas, and water-bearing sandstone and coalbed formations. Verify production casing cement coverage with a cement bond log. This requirement shall supersede the top of cement requirements in the Mamm Creek Field Notice to Operators.

Best Management Practices

| No | BMP/COA Type | Description |
|-----------|---------------------|---|
| 1 | Planning | WPX will run triple-combo open hole logs from well TD up to base of surface casing on one of the first wells drilled on a multi-well pad. Remaining wells on the pad will be logged with either cased hole pulsed neutron or triple-combo open hole. Every well will also have a CBL log from well TD up through well surface. Form 5 Completion Reports will identify wells on the pad with triple-combo open hole logs. |

Total: 1 comment(s)

Applicable Policies and Notices to Operators

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|--|
| Mamm Creek Field Area Notice to Operators. |
| Piceance Rulison Field - Notice to Operators. |
| NW Colorado Notification Policy. |
| Bradenhead Pressure Reporting-Garfield County (Mamm Creek & Rulison Fields) Mesa County (Buzzard Field). |
| Notice Concerning Operating Requirements for Wildlife Protection. |

Attachment Check List

| Att Doc Num | Name |
|--------------------|------------------------|
| 400712204 | FORM 2 SUBMITTED |
| 400740043 | DEVIATED DRILLING PLAN |
| 400740044 | DIRECTIONAL DATA |
| 400745698 | OIL & GAS LEASE |
| 400745699 | TOPO MAP |
| 400745700 | FED. DRILLING PERMIT |
| 400745701 | WELL LOCATION PLAT |

Total Attach: 7 Files

General Comments

| User Group | Comment | Comment Date |
|-------------------|---|--------------------------|
| #Error | Final review complete. | 1/15/2015 12:47:38 PM |
| #Error | Ready to pass. | 12/18/2014 2:16:18 PM |
| #Error | KHW Pass | 12/11/2014 5:09:11 PM |
| #Error | Offset water well check: COGCC evaluated offset water wells within one mile of this proposed well's surface hole location. This information was used in addition to locally-available geophysical logs and hydrogeologic information to evaluate the adequacy of the operator's proposed surface casing setting depth. The deepest water well within one mile is 165 feet. The proposed surface casing setting depth is more than 50 feet below the base of the aquifer in which water wells are screened within one mile. Evaluated existing offset oil and gas wells within 1,500 feet of this wellbore. No mitigation required. | 12/11/2014 4:28:58 PM |
| #Error | Passed Completeness | 12/5/2014 1:21:24 PM |

Total: 5 comment(s)