

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:

400779236

Date Received:

01/23/2015

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 ☒

Well Name: GP-Dairy

Well Number: 1-20-19

Name of Operator: EXTRACTION OIL & GAS LLC

COGCC Operator Number: 10459

Address: 1888 SHERMAN ST #200

City: DENVER State: CO Zip: 80203

Contact Name: Kaleb Roush

Phone: (720)557-8322

Fax: ()

Email: kroush@extractionog.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20090133

WELL LOCATION INFORMATION

QtrQtr: NENE Sec: 20 Twp: 5N Rng: 65W Meridian: 6

Latitude: 40.390050

Longitude: -104.682510

Footage at Surface: 658 feet FNL/FSL FNL 1305 feet FEL/FWL FEL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 4673

County: WELD

GPS Data:

Date of Measurement: 11/12/2012 PDOP Reading: 2.0 Instrument Operator's Name: C HOLMES

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 FNL/FWL

1956 FSL 2184 FWL 1980 FSL 460 FWL
Sec: 20 Twp: 5N Rng: 65W Sec: 19 Twp: 5N Rng: 65W

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: 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.)

A Mineral Lease Map was attached to the original APD Doc [#400407705].

Total Acres in Described Lease: 20 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: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 550 Feet

Building Unit: 550 Feet

High Occupancy Building Unit: 2690 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 301 Feet

Above Ground Utility: 451 Feet

Railroad: 457 Feet

Property Line: 248 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: 660 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Proposed Spacing Unit: S/2 of SEc 19-T5N-R65W & SW/4 of SEc 20-T5N-R65W. PSU Map was attached to the original APD Doc [#400407705].

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CODELL	CODL		480	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 15277 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 121 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?

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	24	16	65	0	60			
SURF	13+1/2	9+5/8	36	0	1029	445	1029	0
1ST	8+3/4	7+0/0	26	0	8298	844	8298	0
1ST LINER	6+1/8	4+1/2	13.5	8098	15277			

☐ 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 Pad slot #52. This well is a Rule 318A.a(4)D Horizontal GWA Well; Operator - Mineral Resources at the time - notified on all owners on 03/01/14 as defined in C.R.S. section 34-60-103(7) within the proposed spacing unit and has received no written objections per Rule 318A.e(6)B. Certification of objections was attached to the original, approved APD. SUA was attached to the original, approved APD.

We needed to sidetrack this well in order to successfully reach formation and run casing. See comments below and in correspondence. The BHL target is unchanged, thus a revised Well Location Plat and Revised Deviated Drilling Plan are not attached as they are not required.

We are having an issue on the GP Dairy 1-20-19 (API# - 05-123-40328-00). We are having issues getting back through our curve with a reamer assembly. We hit the Sharron springs shale at too high of an inclination and exposed too much of the formation. We have fought it for 3 days and are not having any success. The last attempt to get through this morning almost ended with us getting stuck.

Going forward we would like to set a 500' (17.5#) cement plug across the interval from 7000-7500MD. This will allow us to kick off again and we will drill through the Sharron springs closer to vertical, limiting exposure of the formation.

Total MD drilled to: 8205'
Surface casing - 9 5/8" 36# set at 1029'.
No fish in hole
The plan is to pump one 500' plug (243 sacks) with Halliburton Cement-17.5#
Proposed sidetrack point - 7100'
Objective formation of sidetrack/curve: Niobrara B
Proposed BHL: 1980 FSL 460 FWL Sec 19, T5N, R65W (Same as original APD).

We received verbal and email confirmation from Diana Burn on 1/23/15.

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

Location ID: 332837

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: Kaleb Roush

Title: Drilling Tech Date: 1/23/2015 Email: kroush@extractionog.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: Matthew Lee Director of COGCC Date: 1/23/2015

Expiration Date: 01/22/2017

API NUMBER

05 123 40328 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) Comply with Rule 317.i and provide cement coverage from end of 7" casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log. 2) Run and submit Directional Survey from TD to base of surface casing. The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.
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Best Management Practices

No BMP/COA Type

Description

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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

400779236	FORM 2 SUBMITTED
400779373	WELLBORE DIAGRAM
400779387	CORRESPONDENCE

Total Attach: 3 Files

General Comments

User Group

Comment

Comment Date

Permit	Final review completed.	1/23/2015 2:54:46 PM
Engineer	Offset wells evaluated on original submittal. BHL not changed.	1/23/2015 2:49:45 PM
Permit	Passed completeness	1/23/2015 2:36:23 PM

Total: 3 comment(s)