

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:

400722930

Date Received:

01/14/2015

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER _____

Refiling ☒

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: CHEVRON

Well Number: TR 441-21-597

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: Angela Neifert-Kraiser

Phone: (303)606-4398

Fax: ()

Email: Angela.Neifert-Kraiser@wpxenergy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20030107

WELL LOCATION INFORMATION

QtrQtr: NWNE Sec: 21 Twp: 5S Rng: 97W Meridian: 6

Latitude: 39.602791

Longitude: -108.282173

Footage at Surface: 1305 feet FNL/FSL FNL 2375 feet FEL/FWL FEL

Field Name: TRAIL RIDGE

Field Number: 83825

Ground Elevation: 6577

County: GARFIELD

GPS Data:

Date of Measurement: 09/02/2014 PDOP Reading: 1.9 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

927 FNL 554 FEL 927 FNL 554 FEL
Sec: 21 Twp: 5S Rng: 97W Sec: 21 Twp: 5S Rng: 97W

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 ATTACHED LEASE MAP

Total Acres in Described Lease: 17315 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: 4336 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: 5280 Feet

Above Ground Utility: 5280 Feet

Railroad: 5280 Feet

Property Line: 1328 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: 315 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 554 Feet (Enter 5280 for distance greater than 1 mile.)

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

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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| WILLIAMS FORK | WMFK | 510-17 | 640 | ALL |

DRILLING PROGRAM

Proposed Total Measured Depth: 9531 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 315 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? 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 | 26 | 18 | 48 | 0 | 80 | 50 | 80 | 0 |
| SURF | 14+3/4 | 9+5/8 | 36 | 0 | 3201 | 852 | 3201 | 0 |
| 1ST | 8+3/4 | 4+1/2 | 11.6 | 0 | 9531 | 618 | 9531 | 6332 |

☐ 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 is a refile the surface and bottom holes have changed from the original permit | | |
| This application is in a Comprehensive Drilling Plan _____ | | CDP #: _____ | |
| Location ID: 335603 | | | |
| 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: Angela Neifert-Kraiser | |
| Title: Regulatory Specialist | Date: 1/14/2015 | Email: Angela.Neifert- | |

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: 3/20/2015 |
| | | Expiration Date: 03/19/2017 |

API NUMBER

05 045 20351 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.

| <u>COA Type</u> | <u>Description</u> |
|-----------------|--|
| | <p>1)Operator shall comply with the most current revision of the Northwest Colorado Notification Policy. See attached notice.</p> <p>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 this 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.</p> <p>3)Operator shall provide cement coverage from the production casing shoe (4+1/2" FIRST STRING) 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.</p> |

Best Management Practices

| <u>No</u> | <u>BMP/COA Type</u> | <u>Description</u> |
|-----------|---------------------|---|
| 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. |

| | | |
|---|--------------------------------|---|
| 2 | Planning | <ul style="list-style-type: none"> • To the extent practicable, share and consolidate new corridors for pipeline rights-of-way and roads to minimize surface disturbance. • Engineer new pipelines to reduce field fitting and reduce excessive right-of-way widths and therefore subsequent reclamation requirements. • Plan new transportation networks and new oil and gas facilities to minimize surface disturbance and the number and length of oil and gas roads through the utilization of common roads, rights of way, and access points to the extent practicable |
| 3 | General Housekeeping | <ul style="list-style-type: none"> • Post speed limits and caution signs to the extent allowed by surface owners, Federal and state regulations, local government, and land use policies, as appropriate. • Use remote monitoring of well production to the extent practicable. • Maintain pre and post development site inspection records and monitor operations for compliance. • Ensure that staging, refueling, and chemical storage areas are established outside of riparian zones and floodplains, as appropriate. • Store and stage emergency spill response equipment at strategic locations so that it is available to expedite effective spill response |
| 4 | Wildlife | <ul style="list-style-type: none"> • Install and maintain adequate measures to exclude birds and big game from all fluid pits to the greatest extent possible (e.g. fencing, netting, and other appropriate exclusionary measures). • Construct fluid pit fences and nets that are capable of withstanding animal pressure and environmental conditions and that are appropriately sized for the wildlife encountered. • Skim and eliminate oil from produced water ponds and fluid pits at a rate sufficient to prevent oiling of birds or other wildlife that could gain access to the pit and as consistent with COGCC skimming requirements. • Treat fresh water pits and any associated pit containing water that provides a medium for breeding mosquitoes with Bti (<i>Bacillus thuringiensis v. israelensis</i>) or other similar products, or take other effective action to control mosquito larvae that may spread West Nile Virus to wildlife, especially grouse. • Reclaim reserve pits as quickly as practical after drilling and completions to ensure that pit contents do not offer the possibility of unnecessary environmental liability to the environment or local biota. |
| 5 | Construction | <ul style="list-style-type: none"> • Use minimum practical construction widths for new rights-of-way where pipelines cross riparian areas, streams, and critical habitats, where possible. • Perform routine inspections of netting and pit liner systems to ensure proper function and condition for preventative maintenance and incident deterrence. • Strip and segregate topsoil prior to construction. Appropriately configure topsoil piles and seed as immediate as practicable to control erosion, prevent weed establishment and maintain soil microbial activity. • Where allowed by the surface owner, mow or brushhog vegetation for temporary staging areas where appropriate, leaving root structure intact, instead of scraping the surface |
| 6 | Drilling/Completion Operations | <ul style="list-style-type: none"> • Minimize rig mobilization and demobilization where practicable by completing or recompleting all wells from a given well pad before moving rigs to a new location. • Maximize the use of directional drilling to minimize habitat loss/fragmentation. |

| | | |
|---|---------------------|--|
| 7 | Interim Reclamation | <ul style="list-style-type: none"> • Commensurate with the language set forth in the surface agreement, interim and final reclamation shall be performed as early as practical and to the greatest extent possible. • Apply a weed management plan. Utilize an adaptive management strategy that permits effective response(s) to monitored findings and reflects local site geography and conditions. • Perform interim reclamation on all disturbed areas not needed for active support of production operations consistent with applicable timing restrictions and requirements. • Control listed noxious weeds in areas surrounding reclamation areas, as reasonable, in order to reduce weed competition. • Educate employees and contractors about weed issues. • Utilize GIS technologies to assess the initial and final extent of disturbance and document reclamation progression. |
|---|---------------------|--|

Total: 7 comment(s)

Applicable Policies and Notices to Operators

Piceance Rulison Field - Notice to Operators.

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|---------------------------|------------------------|
| 400722930 | FORM 2 SUBMITTED |
| 400760603 | DIRECTIONAL DATA |
| 400760605 | DEVIATED DRILLING PLAN |
| 400760606 | ACCESS ROAD MAP |
| 400760609 | WELL LOCATION PLAT |
| 400760630 | LEASE MAP |
| 400771287 | SURFACE OWNER CONSENT |

Total Attach: 7 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| Permit | Final review complete. | 3/17/2015 3:53:41 PM |
| Permit | Corrected distance to lease line from 3957' to 4336 as per opr. Added 640 to unit acreage for spacing unit. Ready to pass. | 1/26/2015 9:54:24 AM |
| Engineer | Evaluated existing offset wells within 1,500 feet of this wellbore. Offset wells in the area target the Mesa Verde formation. No mitigation required. Offset water well check: The proposed surface casing is more than 50' below the depth of the deepest water well within 1-mile of the surface location. There is one water well within 1-mile and the depth is shown as zero feet. The deviated drilling plan shows the surface casing extending through the Green River Formation. | 1/22/2015 9:48:23 AM |
| Permit | Changed file label from "Surface owner consent" to "other" per operator request. Distance to nearest unit boundary left blank, added after operator confirmation. Passed completeness. | 1/15/2015 12:26:23 PM |

Total: 4 comment(s)