

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:

400802249

#### 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 ☐

Date Received:

04/10/2015

Well Name: NORTH PICEANCE

Well Number: 197-23A1

Name of Operator: XTO ENERGY INC

COGCC Operator Number: 100264

Address: 382 CR 3100

City: AZTEC State: NM Zip: 87410

Contact Name: KELLY KARDOS

Phone: (303)397-3727

Fax: ( )

Email: kelly\_kardos@xtoenergy.com

#### RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20100210

#### WELL LOCATION INFORMATION

QtrQtr: 16 Sec: 23 Twp: 1S Rng: 97W Meridian: 6

Latitude: 39.945556

Longitude: -108.241678

Footage at Surface: 1039 feet FNL/FSL FSL 854 feet FEL/FWL FEL

Field Name: PICEANCE CREEK

Field Number: 68800

Ground Elevation: 6726

County: RIO BLANCO

GPS Data:

Date of Measurement: 08/21/2007 PDOP Reading: 2.1 Instrument Operator's Name: STACY STEWARD

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

2187 FNL 2176 FWL 2094 FNL 2115 FWL  
Sec: 23 Twp: 1S Rng: 97W Sec: 23 Twp: 1S 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.)

Mineral lease description included in initial application has not changed. XTO surface & minerals.

Total Acres in Described Lease: 672 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC61716

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 2094 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 4673 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 410 Feet

Above Ground Utility: 5280 Feet

Railroad: 5280 Feet

Property Line: 253 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: 9239 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 2094 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: COC 077039X

## 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.)
MESAVERDE	MVRD			
OHIO CREEK	OHCRK			
WASATCH	WSTC			

## DRILLING PROGRAM

Proposed Total Measured Depth: 14522 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 9239 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S 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? Yes

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	NA	0	120	96	120	0
SURF	14+3/4	10+3/4	45.5	0	4575	1470	4575	0
1ST	9+7/8	7	26	0	10000	720	10000	4075
2ND	6+1/8	4+1/2	15.1	0	14522	270	14522	6800

☐ 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 well was initially permitted as the FRU 197-23A1. The Freedom Unit has contracted and the name is being changed to North Piceance 197-23A1. There have been no changes to the location. The pad has been built. The pits will be closed and a closed loop mud system will be used. There will be no additional surface disturbance beyond constructed pad. 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 restricted surface occupancy area. No Form 2A required.

This application is in a Comprehensive Drilling Plan \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: 335944

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: KELLY KARDOS

Title: PERMITTING SUPERVISOR Date: 4/10/2015 Email: kelly\_kardos@xtoenergy.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: 5/17/2015

Expiration Date: 05/16/2017

### API NUMBER

05 103 11232 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 provide cement coverage from the intermediate casing shoe (7" First String) to a minimum of 200' above the surface casing shoe to provide isolation of all Cretaceous (Williams Fork and Ohio Creek) and Tertiary (Wasatch) oil, gas, and water-bearing sandstone and coalbed formations that are not otherwise covered by surface casing. Verify intermediate casing cement coverage with a cement bond log.

## **Best Management Practices**

<b><u>No</u></b>	<b><u>BMP/COA Type</u></b>	<b><u>Description</u></b>
1	Construction	<p>-A Field Wide Stormwater Management Plan (SWMP) for the Piceance Creek Program is on file at the XTO Energy Inc. (21459 CR5, Rifle, CO, 81650) office. A Site Specific SWMP including a Site Plan is in place for this location.</p> <p>-Spill Prevention, Control and Countermeasures (SPCC) for the Piceance Creek Program is on file at the XTO Energy Inc. (21459 CR5, Rifle, CO, 81650) office. The Field Wide and Site Specific SWMPs each address SPCC during construction operations.</p> <p>-Inspections of the project site and maintenance of installed BMP's shall be conducted in accordance with the CDPHE CDPS permit and field wide plan.</p>
2	Drilling/Completion Operations	Open hole resistivity and gamma logs shall be run to from TD to into the surface casing to adequately verify the setting depth of surface casing and aquifer coverage. A cement evaluation log with gamma-ray will be run on the production casing (or intermediate casing if production liner is run). These logs will be submitted with the Drilling Completion Report, Form 5.

Total: 2 comment(s)

## **Applicable Policies and Notices to Operators**

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

## **Attachment Check List**

<b><u>Att Doc Num</u></b>	<b><u>Name</u></b>
400802249	FORM 2 SUBMITTED
400804591	WELL LOCATION PLAT
400804592	DEVIATED DRILLING PLAN
400804594	DIRECTIONAL DATA
400809766	PROPOSED BMPS
400809768	CONSULT NOTICE
400823380	TOPO MAP
400823559	FED. DRILLING PERMIT

Total Attach: 8 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Removed approved 2A from related doc tab. Final review complete.	5/14/2015 2:18:18 PM
Engineer	Offset Well Evaluation: There are no offset wells within 1,500 feet of the planned wellbore. 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 geologic and hydrogeologic information to evaluate the adequacy of the operator's proposed surface casing setting depth. There are no water wells intended for non-industrial purposes within one mile of the surface location. The deepest permitted water well within one mile is 9,124 feet (gas well API#05-103-10560). There are no other permitted water wells within one mile.	4/28/2015 8:43:30 AM
Permit	Passed completeness.	4/23/2015 8:46:02 AM
Permit	1.) Quarter quarter designation is incorrect. 2.) Proposed Total Measured Depth should match the Directional Data measured depth. 3.) Casing depth should match the Directional Data measured depth. 4.) Missing 317.p BMP. Return to draft.	4/22/2015 7:41:23 AM
Permit	On the Surface & Minerals tab, if the Surface Owner (SO) has signed an oil and gas lease, then they must also be committed to that lease. Missing 317.p BMP Change "PLAT" to "WELL LOC PLAT". Return to draft.	4/14/2015 11:57:45 AM

Total: 5 comment(s)