

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:

400857937

Date Received:

07/13/2015

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☐ GAS ☐ COALBED ☐ OTHER Injection well

Refilling ☐

ZONE TYPE SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☒

Sidetrack ☐

Well Name: WPX

Well Number: SG 924-29D

Name of Operator: WPX ENERGY ROCKY MOUNTAIN LLC

COGCC Operator Number: 96850

Address: PO BOX 370

City: PARACHUTE State: CO Zip: 81635

Contact Name: Angela Neifert-Kraiser

Phone: (303)606-4398

Fax: ()

Email: vicki.schoeber@wpxenergy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20030107

WELL LOCATION INFORMATION

QtrQtr: NWNE Sec: 32 Twp: 7S Rng: 96W Meridian: 6

Latitude: 39.397421

Longitude: -108.130811

Footage at Surface: 1066 feet FNL/FSL FNL 1983 feet FEL/FWL FEL

Field Name: GRAND VALLEY

Field Number: 31290

Ground Elevation: 5326

County: GARFIELD

GPS Data:

Date of Measurement: 06/29/2015 PDOP Reading: 2.4 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 260 FSL 1362 FWL 260 FSL 1362 FWL

Sec: 29 Twp: 7S Rng: 96W Sec: 29 Twp: 7S Rng: 96W

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: 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.)

N/A

Total Acres in Described Lease: _____ 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: _____ 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: 1500 Feet

Above Ground Utility: 3230 Feet

Railroad: 3900 Feet

Property Line: 720 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: 1667 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary _____ 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.)
ILES	ILES			
ROLLINS	RLNS			

DRILLING PROGRAM

Proposed Total Measured Depth: 6267 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1667 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	60	25	60	0
SURF	13+1/2	9+5/8	32	0	1225	739	1225	0
1ST	8+3/4	5+1/2	11.6	0	6267	558	6267	2200

☐ 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: 334395

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: 7/13/2015 Email: vicki.schoeber@wpenergy.co

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: 10/29/2015

Expiration Date: 10/28/2017

API NUMBER

05 045 23023 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

	<p>1. Injection is not authorized until approval of Forms 31 and 33.</p> <p>2. Operator required to contact COGCC to discuss Step Rate Test or Injectivity Test criteria for Maximum Surface Injection Pressure determination.</p> <p>3. Prior approval of Form 4 is required for step rate and injectivity tests.</p> <p>4. Retrieve water sample(s) from injection zone(s) before stimulating formation. Samples must be analyzed for Total Dissolved Solids at a minimum.</p> <p>5. For all new drill Underground Injection Control wells a suite of open-hole Resistivity/Gamma Ray and Density/Neutron logs is required from Surface Casing shoe to TD. A PDF, TIFF, or PDS visual image and a LAS or DILS file version of each log is required.</p> <p>6. For all new and converted Underground Injection Control wells a Cement Bond Log (CBL) is required on the cased portions of the hole from the bottom of the casing to the top of the next shallower casing string for all casing strings other than the Surface Casing. Only a PDF, TIFF, or PDS visual image is required, LAS format is appreciated-not required.</p> <p>7. Operator must provide all tops of formations encountered from surface to TD on the Form 5 when submitted.</p>
	<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 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.</p> <p>3) Operator shall provide cement coverage from the production casing shoe (5+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

No	BMP/COA Type	Description
1	Planning	<ul style="list-style-type: none"> • Site access roads, pads and facilities in locations that minimize habitat impacts • Minimize well pad density to the extent possible • Minimize the number, size and distribution of well pads and locate pads along existing roads where possible.
2	General Housekeeping	In addition to compliance with General Operating Requirements required under COGCC rule 1203 to be applied in Sensitive Wildlife Habitat and Restricted Surface Occupancy areas or COGCC 1204 to be applied statewide or in areas noted in the Rule, WPX will employ the following BMPs either field wide or at the specific location for which this Form 2A is being submitted.
3	General Housekeeping	<ul style="list-style-type: none"> • Treat/control noxious weeds/plants including Tamarisk • Enforce policies to protect wildlife (e.g., no poaching, no firearms, no dogs on location, no feeding of wildlife, etc.).
4	Construction	<ul style="list-style-type: none"> • Protect culvert inlets from erosion and sedimentation and install energy dissipation structures at outfalls • Salvage topsoil from all road construction and other rights-of-way and re-apply during interim and final reclamation.
5	Interim Reclamation	<ul style="list-style-type: none"> • Install automated emergency response systems (e.g., high tank alarms, emergency shut- down systems, etc.). • Evaluate the utility of soil amendment application or consider importing topsoil to achieve effective reclamation. • Perform interim reclamation on all disturbed areas not needed for active support of production operations • Apply certified weed free mulch and crimp or tacyfy to remain in place to reclaim areas for seed preservation and moisture retention • Control weeds in areas surrounding reclamation areas in order to reduce weed competition • Educate employees and contractors about weed issues • Where possible, fence livestock and/or wildlife out of newly reclaimed areas until reclamation standards have been met and plants are capable of sustaining herbivory

Total: 5 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

Att Doc Num	Name
2168037	FED. DRILLING PERMIT
2168038	FED. DRILLING PERMIT COA's
400857937	FORM 2 SUBMITTED
400865925	DEVIATED DRILLING PLAN
400865927	WELL LOCATION PLAT
400865929	FED. DRILLING PERMIT
400867126	DIRECTIONAL DATA

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Attached Fed. Drilling permit for Right Of Way as per operator. Final review complete.	10/28/2015 2:00:22 PM
Permit	Corrected surface & mineral information.	10/8/2015 11:14:37 AM
Engineer	Added UIC lead review task. Offset well review: No offset wells within 1,500 feet. WILLIAMS #SG431-32 (API# 045-17200) is 1,667 feet away with a TOC of 4,230'. Top of target for this UIC well is at a TVD of 4,936'. 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 95 feet.	7/27/2015 9:01:13 AM
Permit	Passed completeness.	7/23/2015 1:33:08 PM
Permit	Returned to draft. 1.) Please combine the two Deviated Drilling Plan attachments into a single attachment. 2.) The Access Road Map attachment is not required on a Form 2-please remove when resubmitting. 3.) The distance to a Building Unit seems inaccurate based on aerial views.	7/16/2015 10:29:19 AM

Total: 5 comment(s)