

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:

400924518

APPLICATION FOR PERMIT TO:

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

Date Received:

10/27/2015

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER unplanned

Refiling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☒

Well Name: Falcon Seaboard 11-90-12

Well Number: 5

Name of Operator: SG INTERESTS I LTD

COGCC Operator Number: 77330

Address: 100 WAUGH DR SUITE 400

City: HOUSTON State: TX Zip: 77007

Contact Name: Catherine Dickert

Phone: (970)385-0696

Fax: (970)3850636

Email: cdickert@sginterests.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20150109

WELL LOCATION INFORMATION

QtrQtr: NESW Sec: 12 Twp: 11s Rng: 90w Meridian: 6

Latitude: 39.112380

Longitude: -107.399380

Footage at Surface: 1837 feet FNL/FSL FSL 1846 feet FEL/FWL FWL

Field Name: RAGGED MOUNTAIN

Field Number: 71430

Ground Elevation: 7531

County: GUNNISON

GPS Data:

Date of Measurement: 08/27/2014 PDOP Reading: 1.4 Instrument Operator's Name: M. Denison

If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1229 FSL 2237 FWL 2245 FSL 669 FEL FEL
Sec: 12 Twp: 11s Rng: 90w Sec: 13 Twp: 11s Rng: 90w

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 (attached to doc # 400694598.)

Total Acres in Described Lease: 1911 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: 713 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1806 Feet

Building Unit: 1806 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 1865 Feet

Above Ground Utility: 1865 Feet

Railroad: 5280 Feet

Property Line: 1355 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: 116 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 4100 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): Bull Mountain Unit Number: COC67120X

SPACING & FORMATIONS COMMENTS

This well is within the federal Bull Mountain Unit.

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
MANCOS	MNCS			

DRILLING PROGRAM

Proposed Total Measured Depth: 13818 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 116 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: 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	20	106.5	0	80	137	80	0
SURF	16	13+3/8	54.5	0	575	270	575	0
1ST	12+1/4	9+5/8	40	0	5503	1452	5503	0
2ND	8+1/2	5+1/2	20	0	13818	1565	13818	5200

☐ 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

- a. Explanation of the situation that has resulted in the need to sidetrack - The well was TD-ed at 13,870'. Attempted to run the production casing, but it wouldn't reach the TD. Started out of the hole and the casing became stuck. The casing was then cut and we attempted to remove it with jars. After at least 24 hours of using jars in an attempt to remove the cut-off casing, the fish would move a little, but would not come free. SG could not pump cement through the fish and therefore it was used as a base for the cement plug that we will use as a KOP for the sidetrack.
- b. Total measured depth reached in the wellbore being plugged back - 13,870'
- c. Casing set - size(s) and measured depth(s)
conductor
20", 80'
surface casing
13 3/8", 575'
intermediate casing
9 5/8", 5503'
Production casing
See wellbore diagram dated 10/26/15.
- d. Description of fish in the hole (if any) - including top and bottom measured depths piece of cut-off casing - top 8,425' bottom 10,117'
- e. Description of proposed plugs: setting measured depths, heights, and cement volumes - 7754' to 8,390', 800' plug, 305 sks
- f. Type of cement to be used for all plugs, including slurry weight (ppg) and yield (cf/sk) class g, 1.05 cf/sk, 16.5 lb/g
- g. Measured depth of proposed sidetrack kick-off point 7,792'
- h. Proposed objective formation(s) for sidetrack hole - new or same as the wellbore being abandoned - same as original, Mancos
- i. BHL target for sidetrack hole - new or same as the wellbore being abandoned (NOTE: a change in the BHL must be reviewed and approved by COGCC Permitting prior to completing the sidetrack. Drilling a sidetrack to an unapproved BHL could result in an NOAV, plugging the well, or both). New BHL. See marked up plat attached.
- j. verbal/email approval to plug back and sidetrack - David Andrews verbal approval on 10/26/15 and email on 10/27/15 (see attached)

This application is in a Comprehensive Drilling Plan No CDP #: _____

Location ID: 440803

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: Catherine Dickert

Title: Env & Permit Manager Date: 10/27/2015 Email: cdickert@sginterests.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: 10/29/2015

Expiration Date: 10/28/2017

API NUMBER

05 051 06139 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) 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 (9+5/8" 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 intermediate casing cement coverage with a cement bond log.
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Best Management Practices

No BMP/COA Type

Description

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Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Attachment Check List

Att Doc Num

Name

400924518	FORM 2 SUBMITTED
400925438	CORRESPONDENCE
400925449	WELLBORE DIAGRAM
400926606	DIRECTIONAL DATA
400926928	DEVIATED DRILLING PLAN
400926946	WELL LOCATION PLAT

Total Attach: 6 Files

General Comments

User Group

Comment

Comment Date

Permit	Final review complete.	10/29/2015 2:13:17 PM
Engineer	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 108 feet. The 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.	10/29/2015 1:50:55 PM
Permit	Ready to pass.	10/29/2015 11:00:50 AM
Permit	Corrected the setting depth from 13776' to 13818' as per operator. Form passes completeness.	10/29/2015 9:53:01 AM
Permit	Requested Deviated Drilling Plan with side view from opr. Form back to draft.	10/28/2015 12:53:48 PM

Total: 5 comment(s)