

# State of Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203  
Phone: (303) 894-2100 Fax: (303) 894-2109



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## SUNDRY NOTICE

Submit a signed original. This form is to be used for general, technical and environmental sundry information. For proposed or completed operations, describe in full in Comments or provide as an attachment. Identify Well by API Number; identify Oil and Gas Location by Location ID Number; identify other Facility by Facility ID Number.

OGCC Operator Number: <u>7125</u>	Contact Name <u>Bob Beeman</u>
Name of Operator: <u>BEEMAN OIL &amp; GAS LLC</u>	Phone: <u>(435) 260-8616</u>
Address: <u>418 COTTONWOOD LANE</u>	Fax: <u>( )</u>
City: <u>MOAB</u> State: <u>UT</u> Zip: <u>84532</u>	Email: <u>robertbeeman@msn.com</u>

Complete the Attachment  
Checklist

OP OGCC

API Number : <u>05-</u> <u>067</u> <u>09070</u> <u>00</u>	OGCC Facility ID Number: <u>280138</u>
Well/Facility Name: <u>HUBBS</u>	Well/Facility Number: <u>1</u>
Location QtrQtr: <u>NWNW</u> Section: <u>12</u> Township: <u>33N</u> Range: <u>12W</u> Meridian: <u>N</u>	
County: <u>LA PLATA</u> Field Name: <u>RED MESA</u>	
Federal, Indian or State Lease Number: <u></u>	

Survey Plat		
Directional Survey		
Srvc Eqpmt Diagram		
Technical Info Page		
Other		

## CHANGE OF LOCATION OR AS BUILT GPS REPORT

☐ Change of Location \* ☐ As-Built GPS Location Report ☐ As-Built GPS Location Report with Survey

\* Well location change requires new plat. A substantive surface location change may require new Form 2A.

**SURFACE LOCATION GPS DATA** Data must be provided for Change of Surface Location and As Built Reports.

Latitude  PDOP Reading  Date of Measurement   
Longitude  GPS Instrument Operator's Name

## LOCATION CHANGE (all measurements in Feet)

Well will be:  (Vertical, Directional, Horizontal)

Change of **Surface** Footage **From** Exterior Section Lines:

Change of **Surface** Footage **To** Exterior Section Lines:

Current **Surface** Location **From** QtrQtr NWNW Sec 12

New **Surface** Location **To** QtrQtr  Sec

Change of **Top of Productive Zone** Footage **From** Exterior Section Lines:

Change of **Top of Productive Zone** Footage **To** Exterior Section Lines:

Current **Top of Productive Zone** Location **From** Sec

New **Top of Productive Zone** Location **To** Sec

Change of **Bottomhole** Footage **From** Exterior Section Lines:

Change of **Bottomhole** Footage **To** Exterior Section Lines:

Current **Bottomhole** Location Sec  Twp

New **Bottomhole** Location Sec  Twp

Is location in High Density Area?

Distance, in feet, to nearest building , public road: , above ground utility: , railroad: ,

property line: , lease line: , well in same formation:

Ground Elevation  feet Surface owner consultation date

FNL/FSL		FEL/FWL	
<u>687</u>	<u>FNL</u>	<u>621</u>	<u>FWL</u>
<u></u>	<u></u>	<u></u>	<u></u>
Twp <u>33N</u>	Range <u>12W</u>	Meridian <u>N</u>	
Twp <u></u>	Range <u></u>	Meridian <u></u>	
<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>
Twp <u></u>	Range <u></u>		
Twp <u></u>	Range <u></u>		
<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>

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\*\* attach deviated drilling plan

**CHANGE OR ADD OBJECTIVE FORMATION AND/OR SPACING UNIT**

<u>Objective Formation</u>	<u>Formation Code</u>	<u>Spacing Order Number</u>	<u>Unit Acreage</u>	<u>Unit Configuration</u>

**OTHER CHANGES**

☐ **REMOVE FROM SURFACE BOND** Signed surface use agreement is a required attachment

☐ **CHANGE OF WELL, FACILITY OR OIL & GAS LOCATION NAME OR NUMBER**

From: Name HUBBS Number 1 Effective Date: \_\_\_\_\_

To: Name \_\_\_\_\_ Number \_\_\_\_\_

☐ **ABANDON PERMIT: Permit can only be abandoned if the permitted operation has NOT been conducted. Field inspection will be conducted to verify site status.**

☐ WELL: Abandon Application for Permit-to-Drill (Form2) – Well API Number \_\_\_\_\_ has not been drilled.

☐ PIT: Abandon Earthen Pit Permit (Form 15) – COGCC Pit Facility ID Number \_\_\_\_\_ has not been constructed (Permitted and constructed pit requires closure per Rule 905)

☐ CENTRALIZED E&P WASTE MANAGEMENT FACILITY: Abandon Centralized E&P Waste Management Facility Permit (Form 28) – Facility ID Number \_\_\_\_\_ has not been constructed (Constructed facility requires closure per Rule 908)

OIL & GAS LOCATION ID Number: \_\_\_\_\_

☐ Abandon Oil & Gas Location Assessment (Form 2A) – Location has not been constructed and site will not be used in the future.

☐ Keep Oil & Gas Location Assessment (Form 2A) active until expiration date. This site will be used in the future.

**Surface disturbance from Oil and Gas Operations must be reclaimed per Rule 1003 and Rule 1004.**

☐ **REQUEST FOR CONFIDENTIAL STATUS**

☐ **DIGITAL WELL LOG UPLOAD**

☐ **DOCUMENTS SUBMITTED** Purpose of Submission: \_\_\_\_\_

**RECLAMATION****INTERIM RECLAMATION**

☐ Interim Reclamation will commence approximately \_\_\_\_\_

Per Rule 1003.e.(3) operator shall submit Sundry Notice reporting interim reclamation is complete and site is ready for inspection when vegetation reaches 80% coverage.

☐ Interim reclamation complete, site ready for inspection.

Per Rule 1003.e(3) describe interim reclamation procedure in Comments below or provide as an attachment and attach required location photographs.

**Field inspection will be conducted to document Rule 1003.e. compliance**

**FINAL RECLAMATION**

☐ Final Reclamation will commence approximately \_\_\_\_\_

Per Rule 1004.c.(4) operator shall submit Sundry Notice reporting final reclamation is complete and site is ready for inspection when vegetation reaches 80% coverage.

☐ Final reclamation complete, site ready for inspection. Per Rule 1004.c(4) describe final reclamation procedure in Comments below or provide as an attachment.

**Field inspection will be conducted to document Rule 1004.c. compliance**

**Comments:****ENGINEERING AND ENVIRONMENTAL WORK**☐ NOTICE OF CONTINUED TEMPORARILY ABANDONED STATUS

Indicate why the well is temporarily abandoned and describe future plans for utilization in the COMMENTS box below or provide as an attachment, as required by Rule 319.b.(3).

Date well temporarily abandoned \_\_\_\_\_ Has Production Equipment been removed from site? \_\_\_\_\_

Mechanical Integrity Test (MIT) required if shut in longer than 2 years. Date of last MIT \_\_\_\_\_

☐ SPUD DATE: \_\_\_\_\_

**TECHNICAL ENGINEERING AND ENVIRONMENTAL WORK**

Details of work must be described in full in the COMMENTS below or provided as an attachment.

☒ NOTICE OF INTENT Approximate Start Date 01/08/2016

☐ REPORT OF WORK DONE Date Work Completed \_\_\_\_\_

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Intent to Recomplete (Form 2 also required) | <input checked="" type="checkbox"/> Request to Vent or Flare  | <input type="checkbox"/> E&P Waste Mangement Plan      |
| <input type="checkbox"/> Change Drilling Plan                        | <input type="checkbox"/> Repair Well  | <input type="checkbox"/> Beneficial Reuse of E&P Waste |
| <input type="checkbox"/> Gross Interval Change                       | <input type="checkbox"/> Rule 502 variance requested. Must provide detailed info regarding request. |  |
| <input type="checkbox"/> Other _____                                 | <input type="checkbox"/> Status Update/Change of Remediation Plans for Spills and Releases          |  |

**COMMENTS:**

Beeman Oil & Gas, LLC respectfully requests approval to vent associated gas from the referenced well bore as an integral part of the ongoing oil production. Anticipated gas volume to be vented is approximately 3 MCF per day as shown on the attached metering table and would approximate the gas composition reflected on the attached sheet. Elevated hydrogen sulfide gas levels are not found within this field, and the gas from this well contains less than 1 ppm of hydrogen sulfide.

Details regarding Beeman's analysis of the economics of selling the gas produced by the wellfield that includes the Hubbs 1, Hubbs 2, Barbara 2, Gladys 1 and Gladys 2 wells was initially provided to COGCC in September, 2014. This analysis evaluated the economics of constructing a pipeline connecting the 5 wells to the existing Red Mesa Holdings pipeline at the Haun-Delaney 1 well and selling the gas at thenexisting market prices. The analysis clearly demonstrated that the project is un-economic with a significantly negative Net Present Value and a negative Internal Rate of Return.

Since that analysis, construction costs have remained roughly flat, while two significant negative factors have arisen. First, wellhead raw natural gas prices have plummeted 39% (from \$3.73/MCF used in the analysis to \$2.28/MCF), and Red Mesa Holdings/O&G, LLC has filed for Chapter 7 protection in bankruptcy court and has ceased operations, making their pipeline a non-functioning facility. Therefore, there is currently no existing midstream infrastructure takeaway capacity from the field. These two factors make the previous cost/benefit analysis a mute point, and a BEST case, assuming that unlikely condition of a new operator emerging from the bankruptcy proceedings and resuming pipeline operations in 2016, and natural gas prices somehow amazingly returning to 2014 levels in 2016. It is safe to assume that these conditions will prevail throughout 2016.

Beeman Oil and Gas LLC will comply with Rule 805.b.(1.).

The wells are incapable of oil production without venting and will typically produce up to three days before oil production ceases. Wells are presently shut-in awaiting COGCC approval, expedited processing of this application is requested.

**CASING AND CEMENTING CHANGES**

Casing Type	Size	Of	/	Hole	Size	Of	/	Casing	Wt/Ft	Csg/LinTop	Setting Depth	Sacks of Cement	Cement Bottom	Cement Top

**H2S REPORTING**

Data Fields in this section are intended to document Sample and Location Data associated with the collection of a Gas Sample that is submitted for Laboratory Analysis.

**Gas Analysis Report must be attached.**

H2S Concentration: \_\_\_\_\_ in ppm (parts per million)

Date of Measurement or Sample Collection \_\_\_\_\_

Description of Sample Point:

Absolute Open Flow Potential \_\_\_\_\_ in CFPD (cubic feet per day)

Description of Release Potential and Duration (If flow is not open to the atmosphere, identify the duration in which the container or pipeline would likely be opened for servicing operations.):

Distance to nearest occupied residence, school, church, park, school bus stop, place of business, or other areas where the public could reasonably be expected to frequent: \_\_\_\_\_

Distance to nearest Federal, State, County, or municipal road or highway owned and principally maintained for public use: \_\_\_\_\_

COMMENTS:

**Best Management Practices**

**No BMP/COA Type**

**Description**

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**Operator Comments:**

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I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: \_\_\_\_\_ Print Name: Don Hamilton

Title: Permitting Agent Email: starpoint@etv.net Date: \_\_\_\_\_

Based on the information provided herein, this Sundry Notice (Form 4) complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: \_\_\_\_\_ Date: \_\_\_\_\_

**CONDITIONS OF APPROVAL, IF ANY:****COA Type****Description**

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**General Comments****User Group****Comment****Comment Date**

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Total: 0 comment(s)

**Attachment Check List****Att Doc Num****Name**

400967228	OTHER
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Total Attach: 1 Files