

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Date Received:
12/15/2015

TYPE OF WELL OIL GAS COALBED OTHER _____

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refiling
Sidetrack

Well Name: Roy Eshelman Well Number: 1

Name of Operator: BP AMERICA PRODUCTION COMPANY COGCC Operator Number: 10000

Address: 380 AIRPORT RD

City: DURANGO State: CO Zip: 81303

Contact Name: Patti Campbell Phone: (970)335-3828 Fax: ()

Email: patricia.campbell@bp.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20010158

WELL LOCATION INFORMATION

QtrQtr: NWSE Sec: 18 Twp: 33N Rng: 9W Meridian: N

Latitude: 37.101069 Longitude: -107.862893

Footage at Surface: 1640 feet FNL/FSL FSL 1400 feet FEL/FWL FEL

Field Name: IGNACIO BLANCO Field Number: 38300

Ground Elevation: 6408 County: LA PLATA

GPS Data:
Date of Measurement: 11/13/2009 PDOP Reading: 1.8 Instrument Operator's Name: Bob Cress

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

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

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: _____

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.)

NW/4 SE/4 Sec. 18, T33N, R9W NMPM

Total Acres in Described Lease: 40 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: 103 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 189 Feet
 Building Unit: 480 Feet
 High Occupancy Building Unit: 5280 Feet
 Designated Outside Activity Area: 5280 Feet
 Public Road: 1200 Feet
 Above Ground Utility: 662 Feet
 Railroad: 5280 Feet
 Property Line: 105 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 proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 1831 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 976 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.)
FRUITLAND COAL	FRLDC	112-224	320	S/2

DRILLING PROGRAM

Proposed Total Measured Depth: 3000 Feet

Distance from proposed wellbore to nearest existing or permitted wellbore belonging to another operator:

242 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 608

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Recycle/reuse

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
SURF	12+1/4	9+5/8	36	0	265	535	265	0
1ST	8+3/4	7	20	0	2444	475	2444	0
1ST LINER	7	4+1/2	11.6	2000	3000			

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 BP requests approval to deepen the sidetrack for the Roy Eshelman 1 well to 3000' to allow for better pump clearance to de-water the well.

The procedure below outlines deepening the Roy Eshelman 1 well from 2900'-3000" (approximately 100') to provide additional rathole for producing the Fruitland Coal Formation. The additional rathole (through the Picture Cliffs formation) will allow setting the pump below the perforations and provide space for fill.

BP also plans to remove the current 5.5" liner and replace it with a 4.5" liner.

Procedure:

- 1) Pull the current 2 7/8" tubing string
- 2) Clean out to bottom of the current liner at 2665'
- 3) Mill through the current liner, and fish the 5.5" liner
- 4) Clean out and deepen to new TD of 3000.
- 5) Run replacement 4.5" liner (perfs will remain the same)
- 6) Run in with 2 3/8" tubing, pump and co-rod.
- 7) Return well to production.

Please see attached current and proposed wellbore diagrams.

BP realizes this well is now in a Buffer/Exception Zone setback area and will provide MIRU notificaitons to the residences in the Buffer Zone at least 30 day prior to commencing the work.

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

Location ID: 326181

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: Patti Campbell

Title: Regulatory Analyst Date: 12/15/2015 Email: patricia.campbell@bp.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: Matthew Lee Director of COGCC Date: 1/16/2016

Expiration Date: 01/15/2018

API NUMBER

05 067 07611 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

	<p>1) If borehole problems occur while drilling and an unplanned sidetrack is required, the following shall apply:</p> <p>Receive after the fact approval to start the sidetrack from the COGCC SW Regional Engineer, Mark Weems and only during normal business hours (when practicable & do not delay drilling if mishap occurs during nighttime or off time hours). Only during normal business hours is it necessary for a company representative to subsequently provide an explanation as to what happened to the original borehole and what the plan is for the sidetrack.</p> <p>Contact Information: Mark Weems 970-259-4587 off 970-749-0624 cell mark.weems@state.co.us</p> <p>2) Contact COGCC Regional Engineer – Mark Weems when encountering a well control issue, unexpected water flows, and unexpected Hydrogen Sulfide.</p>
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Best Management Practices

No BMP/COA Type

Description

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Applicable Policies and Notices to Operators

Policy
Notice Concerning Operating Requirements for Wildlife Protection. http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400951636	FORM 2 SUBMITTED
400954433	WELLBORE DIAGRAM

Total Attach: 2 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	1/13/2016 8:38:38 AM
Permit	Rule 604.b.(1)A Exception has been checked, per operator request.	1/13/2016 7:24:11 AM
Engineer	This permit is a request to deepen the existing well bore another 100' and replace the existing 5 1/2" OD liner with a 4 1/2" OD liner. There is no changes planned for the existing 9 5/8" OD surf csg or the 7" OD production casing and will stay the same as before.	1/7/2016 10:34:56 AM
Permit	Confirm if any exceptions should be checked.	12/28/2015 10:41:37 AM
Permit	Passed completeness.	12/21/2015 3:26:53 PM

Total: 5 comment(s)