

State of Colorado Oil and Gas Conservation Commission

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FOR OGCC USE ONLY Document Number: 401019094 Date Received: 05/09/2016

UNDERGROUND INJECTION FORMATION PERMIT APPLICATION

Per Rule 325, this form shall be submitted with all required attachments. A Form 31 - Intent shall be submitted and approved prior to completing an injection zone. A Form 31 - Subsequent shall be submitted following collection of water samples and injectivity test (if performed) and must be approved prior to injection in any new injection facility. NOTE: Per Rule 324B, an aquifer exemption is required for any injection formation with water quality less than 10,000 mg/L total dissolved solids (TDS). Contact the Commission for further requirements if the TDS as determined by water analysis for the injection zone is less than 10,000 mg/L.

Form 31 Type [X] Intent [] Subsequent UIC Facility ID 159986 UIC Facility ID Required for Subsequent Form 31

UIC FACILITY INFORMATION

Facility Name and Number: Federal 5-35 County: MOFFAT Facility Location: NWSE / 35 / 9N / 91W / 6 Field Name and Number: BLUE GRAVEL 6970 Facility Type: [] Enhanced Recovery [X] Disposal [] Simultaneous Disposal Single or Multiple Well Facility? [X] Single [] Multiple

Proposed Injection Program (Required):

Mustang Resources (Mustang) currently operates the Federal 1-35 SWD for produced water disposal in the Blue Gravel (BG) Field. Mustang is requesting increased disposal capacity through conversion of the Federal 5-35 to a secondary SWD location. Source water from Mustang's operations in the BG Field is currently gathered into five-400 BBL tanks located adjacent to the Federal 1-35. Water is pumped from the tanks to water hauling trucks or through an underground pipeline to the Federal 1-35 SWD. Mustang proposes to add approximately 290' of additional 2" buried flow line from the Federal 1-35 to the Federal 5-35. No additional surface facilities are proposed. Increased capacity will allow Mustang to include additional BG Field source wells in the UIC disposal program and reduce truck traffic.

OPERATOR INFORMATION

OGCC Operator Number: 10550 Name of Operator: MUSTANG RESOURCES LLC Address: 1660 LINCOLN STREET SUITE 1450 City: DENVER State: CO Zip: 80264 Contact Name and Telephone: Name: Deb Lemon Phone: (720) 550-7507 Fax: () Email: dlemon@mustangresourcesllc.com

INJECTED FLUID TYPE

All injected fluids must be Exempt E&P waste per RCRA Subpart C.

(Check all that apply.)

- [X] Produced Water [] Natural Gas [] CO2 [] Drilling Fluids [] Exempt Gas Plant Waste [] Used Workover Fluids [] Flowback Fluids

[] Other Fluids (describe):

Empty text box for describing other fluids.

Commercial Disposal Facility [] Yes [X] No Commercial UIC Bond Surety ID:

Commercial Facility Description: Describe the physical region of the facility, the details of the operations, and the type of fluids to be injected.

PROPOSED INJECTION FORMATIONS

FORMATION (Name): LEWIS Porosity: 11 %
Formation TDS: 14191 mg/L Frac Gradient: 0.6 psi/ft Permeability: 0 mD
Proposed Stimulation Program: Acid Frac Treatment None

ANTICIPATED FACILITY OPERATIONS CONDITIONS

Under normal operating conditions, estimated TOTAL fluid injection rates and pressures for this facility:

FOR WATER: Daily Injection Rate Range From 20 to 100 bbls/day
Surface Injection Pressure Range From 650 to 650 psi
FOR GAS: Daily Injection Rate Range From _____ to _____ mcf/day
Surface Injection Pressue Range From _____ to _____ psi

Estimated Initial Injection Date: 7/1/2016

AREA OF REVIEW OIL and GAS WELL EVALUATION SUMMARY

Review all existing wells within 1/2 mile for injection formation isolation.

Area Review Date: 4/1/2016

Total number of Oil & Gas Wells within Area of Review: 7

ABANDONED WELLS (All wells that have been plugged: PA and DA status))

Total within Area of Review 3
Number To Be Re-Plugged 0

ACTIVE WELLS (All wells that have not been plugged: AC, DG, DM, IJ, PR, SU, SI, TA, WO, XX, UN status)

Total within Area of Review 4
Number Requiring Casing Repair 0
Number To Be Plugged 0

Operator's Area of Review Contact Email: dlemon@mustangresourcesllc.com

No Wells within 2,640'

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

Print Name: Deb Lemon Signed: _____

Title: Regulatory Analyst Date: 5/9/2016 1:20:37 PM

COGCC Approved: *Matthew Lee* Date: 06/03/2016

Form 31 - Intent Expiration Date: 12/03/2016

Per Rule 325.o, a 90 day extension of the Expiration Date may be requested via a Sundry Notice, Form 4 submitted prior to Form 31- Intent expiration

Order Number: _____ UIC FACILITY ID: 159986

CONDITIONS OF APPROVAL, IF ANY:

COA Type	Description
	Mechanical Integrity Test is required prior to approval of Subsequent Forms 31 and 33.
	Injection prohibited until Subsequent Forms 31 and 33 are approved. Intent Forms 31 and 33 do not convey approval to begin injection.
	Run a CBL as soon as possible.

Attachment Check List

Att Doc Num	Name
2618446	FACILITY DRAWING
2618447	LIST OF MIN. OWNERS 1/4 MILE
2618448	MAP OF MIN. OWNERS 1/4 MILE
2618449	LIST OF SURFACE OWNERS 1/4-MILE
2618450	MAP OF SURF. OWNERS 1/4 MILE
2618472	REMEDIAL CORRECTION PLAN FOR WELLS WITHIN 1/4 MILE
401019094	FORM 31-INTENT-SUBMITTED
401031439	SURFACE USE AGREEMENT FOR SALT WATER DISPOSAL
401031445	CERTIFIED MAIL RECEIPT(S)
401031447	WELLBORE DIAGRAM-CURRENT
401031448	OIL & GAS WELL PLAT
401031451	WELLBORE DIAGRAM-PROPOSED
401031452	ANALYSIS OF INJECTION ZONE WATER
401043720	MAP OF O&G WELLS IN AREA OF REVIEW
401043721	MAP OF WATER WELLS ¼-MILE
401043724	NOTICE TO SURFACE & MINERAL OWNERS
401057791	AREA OF REVIEW-COGCC EVALUATION
401057908	MAXIMUM INJECTION VOLUME CALCULATION
401057922	ANALYSIS OF INJECTION WATER

Total Attach: 19 Files

General Comments

User Group	Comment	Comment Date
UIC	Maximum Surface Injection Pressure based on assumed Fracture Gradient (=default value) of 0.6 psi/ft. Water head = 0.433 psi/ft. Top injection perf = 5230 ft. Therefore: MSIP = (0.6 psi/ft - 0.433 psi/ft) x 5230 ft = 873 psi.	3/3/2016 8:09:25 AM
UIC	Returned to DRAFT so operator could attach additional documentation.	5/9/2016 12:58:28 PM

Total: 2 comment(s)