

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:

400999817

APPLICATION FOR PERMIT TO:

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

Date Received:

05/11/2016

TYPE OF WELL OIL ☐ GAS ☐ COALBED ☒ OTHER Lateral #1 ST #1

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☒

Well Name: Lynch 34-6-18

Well Number: 2

Name of Operator: CATAMOUNT ENERGY PARTNERS LLC

COGCC Operator Number: 10464

Address: 1801 BROADWAY #1000

City: DENVER State: CO Zip: 80202

Contact Name: Nolan Redmond

Phone: (720)484-2344

Fax: (720)484-2363

Email: nredmond@catamountep.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20130096

WELL LOCATION INFORMATION

QtrQtr: SWNW Sec: 18 Twp: 34N Rng: 6W Meridian: N

Latitude: 37.193630

Longitude: -107.549570

Footage at Surface: 1734 feet FNL/FSL FNL 209 feet FEL/FWL FWL

Field Name: IGNACIO BLANCO

Field Number: 38300

Ground Elevation: 6858

County: LA PLATA

GPS Data:

Date of Measurement: 03/13/2014 PDOP Reading: 2.1 Instrument Operator's Name: Scott Weibe

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

Footage at Top of Prod Zone: FNL/FSL 805 FNL 729 FWL 681 FNL 681 FEL 681
Sec: 18 Twp: 34N Rng: 6W Sec: 18 Twp: 34N Rng: 6W

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: Bond

Surface damage assurance if no agreement is in place: Blanket

Surface Surety ID: 20130097

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 S18U T33N R6W

Total Acres in Described Lease: 160 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: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 955 Feet

Building Unit: 955 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 201 Feet

Above Ground Utility: 872 Feet

Railroad: 5280 Feet

Property Line: 151 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: 06/11/2014

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: 1220 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 681 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	112-215	320	N/2

DRILLING PROGRAM

Proposed Total Measured Depth: 6679 Feet

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

1141 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? Yes

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: 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
SURF	12+1/4	9+5/8	36	0	415	245	415	0
1ST	8+3/7	7	26	0	3261	368	3261	0
1ST LINER	6+1/8	2+7/8	6.5	3280	6679	0		

☒ 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 for Lateral #1 ST #1 of the Lynch 34-6-18 #2 API #05-067-09921.
Drill order will be as follows:
1- Lateral #1
2 - Lateral #1 ST #1

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

Location ID: 440160

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: Nolan Redmond

Title: Geo/Eng Tech Date: 5/11/2016 Email: nredmond@catamountep.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: 7/7/2016

Expiration Date: 07/06/2018

API NUMBER

05 067 09921 02

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>a.) Before proceeding, contact the COGCC Regional Engineer for SW Colorado for verbal approval and 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 – Regional Engineer-SW Colorado 970-259-4587 off 970-749-0624 cell mark.weems@state.co.us</p> <p>b.) Adhere to the instructions provided in the “UNPLANNED Sidetrack While Drilling: Approval and Reporting Process – Southwestern Colorado San Juan Basing ONLY” that can be found on the COGCC website at:</p> <p>Go to COGCC Web Site for more details if necessary Forms Form 2-Permit to Drill Instructions</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>
1857736	SELECTED ITEMS REPORT
2107172	RULE 604.c. MITIGATION MEASURES BMPs
400999817	FORM 2 SUBMITTED
400999826	WELL LOCATION PLAT
400999827	MULTI-WELL PLAN
401045220	OTHER
401045222	DEVIATED DRILLING PLAN
401045225	DIRECTIONAL DATA

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Attached RULE 604.c. MITIGATION MEASURES BMPs (Doc: 2107172) per operator request.	7/5/2016 9:03:20 AM
Permit	Final Review Completed. No LGD or public comment received.	6/29/2016 1:00:19 PM
Engineer	<p>The minimum horizontal distance (plat map view) between this wellbore and a different operator's wellbore is 1141' (see SELECTED ITEMS REPORT).</p> <p>Corrected the minimum horizontal distance (plat map view) between this wellbore and a different operator's wellbore to 1141'; operator concurred with correction. (see SELECTED ITEMS REPORT).</p> <p>All comments pertain to this lateral wellbore only. Surface and 1st string casings are commented on in the pilot hole (doc # 400667619).</p> <p>The operator does not fracture stimulate the horizontal laterals in the Fruitland coal.</p> <p>Because there are no PA wells within a quarter (1/4) mile of the planned lateral no PA assessment is required.</p>	6/10/2016 3:11:31 PM
Permit	Passed completeness.	5/23/2016 3:01:25 PM
Permit	<p>Check TPZ footages (FEL)</p> <p>Per operator, 6/27/2016, TPZ changed to FWL.</p>	5/23/2016 2:16:05 PM
Permit	Operator expects to have Form 5 for pilot hole submitted shortly and is waiting on surveyor to obtain as-drilled GPS data.	5/23/2016 2:13:02 PM

Total: 6 comment(s)