

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:

401045777

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refiling ☐

Date Received:

05/27/2016

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Peter McCue

Well Number: 30-3

Name of Operator: GRMR OIL & GAS LLC

COGCC Operator Number: 10524

Address: 370 INTERLOCKEN BLVD SUITE 550

City: BROOMFIELD

State: CO

Zip: 80021

Contact Name: Kristina Lee

Phone: (303)659-9581

Fax: ()

Email: krislee@skybeam.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20140073

WELL LOCATION INFORMATION

QtrQtr: Lot7 Sec: 30 Twp: 5N Rng: 90W Meridian: 6

Latitude: 40.363164

Longitude: -107.538236

Footage at Surface: 217 feet FNL/FSL FNL 2360 feet FEL/FWL FWL

Field Name: WILDCAT

Field Number: 99999

Ground Elevation: 6482

County: MOFFAT

GPS Data:

Date of Measurement: 05/10/2016 PDOP Reading: 1.6 Instrument Operator's Name: K.G. Stewart

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

Footage at Top of Prod Zone: FNL/FSL FNL/FWL Bottom Hole: FNL/FSL FNL/FWL
608 FNL 2085 FWL 2131 FNL 1016 FWL
Sec: 30 Twp: 5N Rng: 90W Sec: 30 Twp: 5N 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.)

T5N-R90W Sec19: Lots 3, 4, S2SW except a 17.39 acre tract
Sec30: Resurvey Lot 7
T5N-R91W Sec24: S2SWNE, N2SE

Total Acres in Described Lease: 283 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: 1850 Feet
Building Unit: 2690 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 2320 Feet
Above Ground Utility: 2480 Feet
Railroad: 5280 Feet
Property Line: 167 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: 1171 Feet

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

Federal or State Unit Name (if appl): WILLIAMS FORK Unit Number: COC074956X

SPACING & FORMATIONS COMMENTS

This well is within a federal unit

OBJECTIVE FORMATIONS

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

DRILLING PROGRAM

Proposed Total Measured Depth: 5609 Feet

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

2420 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: ONSITE Cuttings Disposal Method: Cuttings trench

Other Disposal Description:

Water based cuttings and fluids will be dried and buried in a lined trench onsite. Onsite sifter will be used to monitor TPH levels per 900 series rule and table 910-1 Cuttings that exceed limit will be dried and trucked to offsite disposal facility.

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	104	0	60	210	60	0
SURF	17+1/2	13+3/8	54.5	0	729	510	729	0
1ST	12+1/4	9+5/8	36	0	3463	360	3463	0
2ND	8+3/4	5+1/2	17	0	5609	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 in a Comprehensive Drilling Plan _____ No _____ CDP #: _____

Location ID: _____

Is this application being submitted with an Oil and Gas Location Assessment application? _____ Yes _____

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

Signed: _____ Print Name: Kristina Lee _____

Title: Regulatory Consultant Date: 5/27/2016 Email: krislee@skybeam.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: 8/1/2016

Expiration Date: 07/31/2018

API NUMBER

05 081 07829 00

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.
	2)Minimum surface casing setting depth requirements: 50' below the base of the Morapos Formation with the shoe in Mancos Shale or 729', as proposed by the operator, whichever is deeper. Full cement to surface is required for the surface casing; increase cement volume as necessary to accomplish that objective. Refer to COGCC's comment on this form regarding the operator's prognosed depth to the Morapos Formation.
	3)Operator shall provide cement coverage from the intermediate casing shoe (9+5/8" First String) to a minimum of 200' above the surface casing shoe to provide provide isolation of all formations that are not otherwise covered by surface casing. Verify production casing cement coverage with a cement bond log.

Best Management Practices

No	BMP/COA Type	Description
1	Storm Water/Erosion Control	A Storm water management plan will be prepared and will meet all requirements of the COGCC & CDPHE. Stormwater BMPs will be put in place to control erosion prior to constructing the well pad and access road.
2	Material Handling and Spill Prevention	Spill Prevention Plans (SPCC) are in place to address material releases and to prescribe materials handling BMPs for the facility. "Good house-keeping" measures will be taken to ensure proper waste disposal.
3	Drilling/Completion Operations	Open-hole Resistivity Log and Gamma Ray Log will be run from approximately the top of Niobrara to into the surface casing. The angle of the wellbore will be greater than 45 degrees at this point. A cement bond log with gamma-ray will be run on production casing (or on intermediate casing if production liner is run) into the surface casing. The Form 5, Completion Report, will list all logs run and have those logs attached.

Total: 3 comment(s)

Applicable Policies and Notices to Operators

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

Attachment Check List

Att Doc Num	Name
401045777	FORM 2 SUBMITTED
401046013	SURFACE AGRMT/SURETY
401054244	DIRECTIONAL DATA
401054250	DEVIATED DRILLING PLAN
401054939	WELL LOCATION PLAT

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Final Review	Changed 5+1/2" Second String Cement Top and Cement Bottom depths to null values. The Second String will not be cemented.	3/1/2016 5:00:56 PM
Permit	Final Review Complete.	8/1/2016 10:34:27 AM
Permit	Added Rule 609 for water sampling. Oper. corrected open hole logging BMP for one-well pad. Oper. corrected distance to lease to 0'.	7/28/2016 3:16:18 PM
Engineer	Offset Well Evaluation: Existing offset oil and gas wells within 1,500 feet of this wellbore meet standards. No mitigation required. Two offset wellbores are within 1500' and meet standards for Niobrara completions: 081-07818, Myers 19-11HA; 081-07822, Hamill 19-16HA.	6/27/2016 3:47:42 PM
Engineer	Offset water well check: There are no permitted water wells within one mile of this proposed surface hole location. Mancos Formation outcrops at the surface. A shallow, potential water source (weathered Mancos and/or Morapos) is apparent on offset electrical logs for Hamill #1 (081-06598, base at 740' MD, elev. 5620' MSL) and Gilbert Myers #1-29 (081-06310, base at 800' MD, elev. ~5800' MSL). The operator's drilling prognosis included with the deviated drilling plan shows the Morapos formation horizontal at this location with the base at 679'. COGCC concurs with the operator's plan to cement the intermediate casing (9+5/8" First String) into the surface casing. Surface casing coverage of the Morapos Formation is required, as specified in Condition of Approval #2.	6/27/2016 3:47:41 PM
Permit	Mineral Lease is included in SUA attachment. Initial review complete.	6/24/2016 7:55:24 AM
Permit	Passed completeness.	6/6/2016 12:57:28 PM
Permit	Deleted erroneous location ID#. Corrected label for attached well location plat.	6/6/2016 12:52:16 PM

Total: 8 comment(s)