

FORM
2
Rev
08/16

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:
400943536

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

TYPE OF WELL OIL GAS COALBED OTHER _____
ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refiling
Sidetrack

Date Received:
07/28/2016

Well Name: Wells Ranch State Well Number: BB05-685
Name of Operator: NOBLE ENERGY INC COGCC Operator Number: 100322
Address: 1625 BROADWAY STE 2200
City: DENVER State: CO Zip: 80202
Contact Name: Susan Miller Phone: (303)228-4246 Fax: ()
Email: susan.miller@nblenergy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20030009

WELL LOCATION INFORMATION

QtrQtr: Lot 4 Sec: 3 Twp: 5N Rng: 63W Meridian: 6
Latitude: 40.433620 Longitude: -104.430070

Footage at Surface: 743 Feet FNL/FSL FNL 692 Feet FEL/FWL FWL

Field Name: WATTENBERG Field Number: 90750
Ground Elevation: 4781 County: WELD

GPS Data:
Date of Measurement: 08/19/2015 PDOP Reading: 2.0 Instrument Operator's Name: Casey Kohout

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

Footage at Top of Prod Zone: FNL/FSL FNL 217 FEL 330 FNL 535 FEL/FWL FWL
Sec: 4 Twp: 5N Rng: 63W Sec: 5 Twp: 5N Rng: 63W

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 Use Agreement

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-R63W Section 3: All.

Total Acres in Described Lease: 640 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: 3271 Feet

Building Unit: 4132 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 5280 Feet

Above Ground Utility: 3747 Feet

Railroad: 5280 Feet

Property Line: 692 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: 184 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 535 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

Spacing Unit Configuration: NW/4NW/4 Sec 3, N/2N/2 Sec 4, N/2N/2 Section 5, T5N-R63W; S/2S/2 Section 32, S/2S/2 Section 33, SW/4SW/4 Sec 34, T6N-R63W. Spacing Unit contains State minerals, Lease No. 81/6521-S, Lease No. 81/6525-S.

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		724	GWA

DRILLING PROGRAMProposed Total Measured Depth: 16738 Feet

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells:

Enter distance if less than or equal to 1,500 feet: 184 Feet No well belonging to another operator within 1,500 feetWill a closed-loop drilling system be used? YesIs 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? NoWill salt based (>15,000 ppm Cl) drilling fluids be used? NoWill oil based drilling fluids be used? NoBOP Equipment Type: Annular Preventor Double Ram Rotating Head None**GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING**Water well sampling required per Rule 318A**DRILLING WASTE MANAGEMENT PROGRAM**Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Recycle/reuseCuttings Disposal: OFFSITE Cuttings Disposal Method: Beneficial reuse

Other Disposal Description:

Beneficial reuse or land application plan submitted? YesReuse Facility ID: _____ or Document Number: 2614238**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	16	42	0	80	6	80	0
SURF	13+3/4	9+5/8	36	0	550	173	550	0
1ST	8+3/4	7	26	0	7017	525	7017	
1ST LINER	6+1/8	4+1/2	11.6	6867	16738			

 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 First string top of cement will be 200' above the Niobrara formation. The production liner will be hung off inside of the 7" casing string. Noble Energy shall isolate the Upper Pierre Aquifer from the Fox Hills Aquifer with surface casing and cement and utilize intermediate casing and cement to ensure isolation from below. Three well pad consists of: Wells Ranch State BB05-690 Pad, doc no. 400943047, Wells Ranch State BB05-685, doc no. 400943536, Wells Ranch State BB05-678, doc no. 400943598. Nearest well in the same formation and nearest well belonging to another Operator = State 21-4, API No. 05-123-20930, PDC Energy, Inc. Noble calculates the distance(s) to nearest well(s) utilizing COGCC data and records. Please note, the surface location of the proposed three wells is located in the NW/4NW/4 of Section 3; but "Lot 4" will be used since it is noted on the Well Location Certificate and the COGCC online map.

Wells Ranch State BB05-685, doc no. 400943536
Bottom hole Location: 330' FNL

PDC, State 21-4, Footage Calculator, As-drilled:
514' FNL
330' - 514' = 184'

PDC, Wells Ranch 31-5, Footage Calculator, As-drilled:
533' FNL
330' - 533' = 203'

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 310373

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: Susan Miller

Title: Regulatory Analyst III Date: 7/28/2016 Email: Regulatorynotification@nblener

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: 10/26/2016

Expiration Date: 10/25/2018

API NUMBER
05 123 43797 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

	<p>Bradenhead tests shall be performed and reported according to the following schedule and Form 17 submitted within 10 days of each test.:</p> <ol style="list-style-type: none">1) Within 60 days of rig release, prior to stimulation.2) 6 months after rig release, prior to stimulation.3) Within 30 days of first production, as reported on Form 5A.
	<ol style="list-style-type: none">1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU (Spud Notice), for the first well/activity on the pad and provide 48 hour spud notice for all subsequent wells drilled on the pad.2) Comply with Rule 317.j and provide cement coverage from the end of production casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
	<p>Operator acknowledges the proximity of the listed wells: Operator agrees to: provide mitigation option 1 or 2 (per the DJ Basin Horizontal Offset Policy) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OFFSET MITIGATION COMPLETED") for the remediated wells, referencing the API number of the proposed horizontal well(s) stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.</p> <p>SKURICH-ROTHER 41-6 (API NO 123-13139)</p>

Best Management Practices

No	BMP/COA Type	Description
1	Planning	One of the first wells drilled on the pad will be logged with Cased hole Pulsed Neutron Log with Gamma Ray Log from the kick-off point to into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The horizontal portion of every well will be logged with a measured while-drilling gamma-ray log. The Form 5, Completion Report, for each well on the pad will list all logs run in that well and have those logs attached. The Form 5 for each well shall clearly state "No open-hole logs were run" and shall reference the Rule 317.p Exception granted for the well.
2	General Housekeeping	General housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur, prompt cleanup is required to minimize any commingling of waste materials with stormwater runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling. There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup of trash and discarded materials will be conducted at the end of each work day. Cleanup will consist of patrolling the roadway, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly.
3	Storm Water/Erosion Control	Stormwater management plans (SWMP) are in place to address construction, drilling and operations associated with Oil & Gas development throughout the state of Colorado in accordance with Colorado Department of Public Health and Environment (CDPHE) and General Permit No. COR-038637. BMP's will be constructed around the perimeter of the site prior to, or at the beginning of construction. BMP's used will vary according to the location and will remain in place until the pad reaches final reclamation.
4	Material Handling and Spill Prevention	Spill Prevention Control and Countermeasures (SPCC) plans are in place to address any possible spill associated with Oil & Gas operations throughout the state of Colorado in accordance with CFR 112.
5	Drilling/Completion Operations	If a skid is performed for the subject well, then the only required BOPE tests are for the BOPE connection bonnet seal breaks, as long as a full BOPE test was performed at the beginning of the pad, and as long as all necessary BOPE tests are completed at least every 30 days during the pad operations.
6	Drilling/Completion Operations	<p>Anti-collision: Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed well path with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to COGCC with the Form 5.</p> <p>Bradenhead Monitoring: Operator will comply with the COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012. The Colorado Oil and Gas Conservation Commission has established this Policy regarding Bradenhead monitoring during Hydraulic Fracturing Treatments ("Treatment") in the Greater Wattenberg Area ("GWA") pursuant to COGCC Rule 207.a. Policy. This Policy applies to oil and gas operations in the GWA as defined by the COGCC Rules of Practice and Procedure.</p>

Total: 6 comment(s)

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
Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area. http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400943536	FORM 2 SUBMITTED
400943581	OffsetWellEvaluations Data
400965495	WELL LOCATION PLAT
400965500	DEVIATED DRILLING PLAN
400965501	DIRECTIONAL DATA
400965510	EXCEPTION LOC WAIVERS
401004920	OPEN HOLE LOGGING EXCEPTION
401081862	EXCEPTION LOC REQUEST
401081865	PROPOSED SPACING UNIT
401084398	SURFACE AGRMT/SURETY

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Engineer	Added comment from operator on the Submit tab, verifying calculations to adjacent offset wells from proposed lateral.	10/26/2016 10:37:41 AM
Engineer	On the Operator BMP/COA tab, removed the second "If a skid is performed for the subject well, then the only required BOPE tests are for the BOPE connection bonnet seal breaks, as long as a full BOPE test was performed at the beginning of the pad, and as long as all necessary BOPE tests are completed at least every 30 days during the pad operations." from the 5th Operator listed BMP's. Duplicate statement.	10/26/2016 10:13:04 AM
Permit	Final Review Completed.	10/18/2016 8:04:01 AM
Permit	Per operator corrected the typo in the Open Hole Logging BMP. Permitting Review Complete.	10/13/2016 2:11:56 PM
Permit	ON HOLD: requesting correction to Open Hole Logging BMP.	10/13/2016 12:14:32 PM
Permit	Operator requested Exception to Open Hole Logging Rule 317.p. See attached.	10/13/2016 12:14:31 PM
Engineer	Offset Wells Evaluated.	9/19/2016 12:46:10 PM
Permit	Notified the State Land Board about planned wells. SLB replied: the lease is in good standing with us.	9/7/2016 11:03:07 AM
Permit	Checked attachments.	8/18/2016 1:33:47 PM
Permit	Passes completeness.	3/8/2016 3:02:00 PM

Total: 10 comment(s)