

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:

401103086

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER \_\_\_\_\_

Refiling ☒

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Date Received:

09/01/2016

Well Name: DMGU 1289

Well Number: #18-H4

Name of Operator: GUNNISON ENERGY LLC

COGCC Operator Number: 10515

Address: 1801 BROADWAY #1200

City: DENVER State: CO Zip: 80202

Contact Name: Heather Lang

Phone: (303)296-2752

Fax: ( )

Email: heather.lang@oxbow.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20140052

WELL LOCATION INFORMATION

QtrQtr: SWNE Sec: 18 Twp: 12S Rng: 89W Meridian: 6

Latitude: 39.017417

Longitude: -107.377686

Footage at Surface: 1503 Feet FNL/FSL FNL 2526 Feet FEL/FWL FEL

Field Name: WILDCAT

Field Number: 99999

Ground Elevation: 7332

County: GUNNISON

GPS Data:

Date of Measurement: 01/22/2013 PDOP Reading: 1.3 Instrument Operator's Name: Robert L. Kay

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 FEL/FWL  
2419 FSL 2571 FWL 1789 FNL 2450 FEL  
Sec: 18 Twp: 12S Rng: 89W Sec: 20 Twp: 12S Rng: 89W

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.)

See Lease Map

Total Acres in Described Lease: 1075 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # 065106

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 486 Feet  
Building Unit: 5280 Feet  
High Occupancy Building Unit: 5280 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 4181 Feet  
Above Ground Utility: 5280 Feet  
Railroad: 5280 Feet  
Property Line: 2551 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: 1128 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 1100 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): Deadman Gulch Unit Number: COC74489X

## 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.)
MANCOS	MNCS			

## DRILLING PROGRAM

Proposed Total Measured Depth: 14600 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: 700 Feet ☐ No well belonging to another operator within 1,500 feet

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H<sub>2</sub>S 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: 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
CONDUCTOR	17+1/2	13+3/8	68	0	120	120	120	0
SURF	12+1/4	9+5/8	36	0	900	238	900	0
1ST	8+1/2	7	26	0	7600	288	7600	900
1ST LINER	6+1/8	4+1/2	13.5	7600	14600	859	14600	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: GELLC is re-submitting this APD as we did not drill this well before the APD expired, but we do still have plans to drill this well in the future. There have been no changes since we submitted the original APD.

This application is in a Comprehensive Drilling Plan Yes CDP #: 2028

Location ID: 427218

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: Heather Lang

Title: Office Mgr & Lse Analyst Date: 9/1/2016 Email: heather.lang@oxbow.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: 12/22/2016

Expiration Date: 12/21/2018

**API NUMBER**

05 051 06120 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**

	If conductors are preset, operator shall comply with Notice to Operators: Procedures for Preset Conductors (dated September 1, 2016, revised October 6, 2016).
	1) Operator shall comply with the most current revision of the Northwest Notification Policy.  2) Operator shall provide cement coverage from the intermediate casing shoe (7" First String) to a minimum of 200' above the surface casing shoe to provide isolation of all Cretaceous (Ohio Creek and Mesaverde) and Tertiary (Wasatch) oil, gas, and water-bearing sandstone and coalbed formations that are not otherwise covered by surface casing. Verify intermediate casing cement coverage with a cement bond log.

## **Best Management Practices**

<b><u>No</u></b>	<b><u>BMP/COA Type</u></b>	<b><u>Description</u></b>
1	Drilling/Completion Operations	One of the first wells drilled on the pad, will be logged with open-hole Resistivity Log and Gamma Ray Log from the kick-off point 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 and have those logs attached. The Form 5 for a well without open-hole logs shall clearly state "No open-hole logs were run" and shall clearly identify the well (by API#, well name and number) in which open-hole logs were run.

Total: 1 comment(s)

## **Applicable Policies and Notices to Operators**

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

## **Attachment Check List**

<b><u>Att Doc Num</u></b>	<b><u>Name</u></b>
2168205	DEVIATED DRILLING PLAN
401103086	FORM 2 SUBMITTED
401119087	OffsetWellEvaluations Data
401120021	DIRECTIONAL DATA

Total Attach: 4 Files

## General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	<p>Corrected distance to nearest wellbore in same formation from 820' to 1128 with operator approval.</p> <p>Corrected distance to unit boundary from 862 to 1100 with operator approval.</p> <p>Clicked the "yes" box that well is in CDP and added 2028 identification number with operator approval.</p> <p>Final review complete.</p>	12/12/2016
Permit	<p>Corrected distance to lease line from 1292' to 0. Wellbore crosses federal leases within the unit. Operator approves of correction.</p> <p>The building at 486' is the DGU 18-22 water disposal facility pump house, that encloses the triplex water injection well pump.</p>	10/28/2016
Permit	Attached new deviated drilling plan and uploaded data excel data sheet.	09/28/2016
Engineer	<p>Uploaded revised offset well spreadsheet provided by operator. Changed distance to nearest existing wellbore belonging to another operator to 700'. Distance is horizontal distance to a shallow offset. Vertical distance is much greater.</p> <p>Offset water well check: COGCC evaluated offset water wells within one mile of this proposed well's surface hole location. This information was used in addition to locally-available geophysical logs and hydrogeologic information was used to evaluate the adequacy of the operator's proposed surface casing setting depth. The deepest domestic use water well within one mile is 460 feet. The deepest registered water well within one mile is 3,700 feet and is a COGCC gas well.</p> <p>Offset Well Evaluation: Existing offset oil and gas wells within 1,500 feet of this wellbore meet standards. No mitigation required.</p>	09/27/2016
Permit	Needs new directional survey; our system didn't pick up the wellbore path, Operator notified.	09/26/2016
Permit	Passed completeness.	09/14/2016
Permit	<p>Per Operator request:</p> <p>-- Deleted distance to nearest nonop well (&gt;5280) and checked box "No well belonging to another operator within 1500"</p> <p>-- Rounded ground elevation to nearest whole number</p> <p>-- Corrected Instrument Operator's name</p>	09/14/2016

Total: 7 comment(s)