

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:

401220677

(SUBMITTED)

Date Received:

APPLICATION FOR PERMIT TO:

☐ Drill
 ☐ Deepen
 ☐ Re-enter
 ☒ **Recomplete and Operate**
TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER _____Refilling ☐ZONE TYPE SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☒Sidetrack ☐

Well Name: Sheep Mountain Unit

Well Number: 2-10-0

Name of Operator: OXY USA INC

COGCC Operator Number: 66561

Address: PO BOX 27757 #110

City: HOUSTON

State: TX

Zip: 77227-7757

Contact Name: Kimberly Rodell

Phone: (303)942-0506

Fax: ()

Email: krodell@upstreampm.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20060139

WELL LOCATION INFORMATION

QtrQtr: SENW Sec: 15 Twp: 27S Rng: 70W Meridian: 6

Latitude: 37.702717

Longitude: -105.210325

Footage at Surface: 1830 Feet FNL/FSL FNL 1711 Feet FEL/FWL FWL

Field Name: SHEEP MOUNTAIN

Field Number: 77230

Ground Elevation: 8469

County: HUERFANO

GPS Data:

Date of Measurement: 06/24/2011 PDOP Reading: 2.0 Instrument Operator's Name: Jimmy Robert Stark

If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**
 Footage at Top of Prod Zone: FNL/FSL FNL 168 FNL 2569 FWL 168 FNL 2569 FWL
 Sec: 15 Twp: 27S Rng: 70W Sec: 15 Twp: 27S Rng: 70W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ IndianThe 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: No

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.)

T27S R70W: Sec. 8: SENE; Sec. 10: NE, NWSE, SESE; Sec. 11: NWNW; Sec. 15: NE, N2NW, E2SE

Total Acres in Described Lease: 640 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC010488

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 864 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 193 Feet
Building Unit: 5280 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 4767 Feet
Above Ground Utility: 5280 Feet
Railroad: 5280 Feet
Property Line: 641 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: 1444 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 1815 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): Sheep Mountain Unit Number: COC47683X

SPACING & FORMATIONS COMMENTS

This well is covered under federal unit spacing. There is no COGCC spacing order for this location.

OBJECTIVE FORMATIONS

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

DRILLING PROGRAM

Proposed Total Measured Depth: 4499 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 feet

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 N/A

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? No

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	14+3/4	10+3/4	40.5	0	299	300	299	0
1ST	9+7/8	7+5/8	26.4	0	4207	670	4207	

☒ 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 is a re-entry into a producing CO2 well. There will be no additional surface disturbance for these operations. The Dakota formation will be completed and commingled with the Entrada formation. The distance from the completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation was taken from the Oxy USA, Inc. Sheep Mountain Unit 5-15-F well. The Oxy USA, Inc. Sheep Mountain 7-15-I planned well is expired and it does not appear that this well was re-applied for. The distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells was taken from the Arco Oil & Gas Company Sheep Mountain Unit 4-15H, API No. 05-055-06063. This well, according to the completion report, was plugged and abandoned in March 1982. The nearest building to this well is a compressor building located on the existing wellpad. Water well testing is not required for a recompletion. This well has an incorrect federal lease number in the associated COGCC information. The incorrect lease number COC10646 has been changed to COC010488. Please ensure the scout card reflects the correct information. There are two buildings within 1,000 feet. One is an Oxy structure and the other is a radio tower. There are no Building Units within 1,000 feet.

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

Location ID: 334549

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: Kimberly Rodell

Title: Permit Agent Date: _____ Email: krodell@upstreampm.com

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: _____
Expiration Date: _____

API NUMBER

05 055 06062 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

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Best Management Practices

No BMP/COA Type

Description

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Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401244289	SURFACE AGRMT/SURETY
401244325	DRILLING PLAN
401244348	WELLBORE DIAGRAM

Total Attach: 3 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
		Stamp Upon Approval

Total: 0 comment(s)



Public Comments

No public comments were received on this application during the comment period.

