

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:  
401192609

APPLICATION FOR PERMIT TO:

Drill       Deepen       Re-enter       Recomplete and Operate

TYPE OF WELL    OIL     GAS     COALBED     OTHER Lateral 1  
ZONE TYPE      SINGLE ZONE     MULTIPLE ZONES     COMMINGLE ZONES

Refiling   
Sidetrack

Date Received:  
03/16/2017

Well Name: LEE FEDERAL      Well Number: 1  
Name of Operator: BP AMERICA PRODUCTION COMPANY      COGCC Operator Number: 10000  
Address: 380 AIRPORT RD  
City: DURANGO      State: CO      Zip: 81303  
Contact Name: Naomi Azulai      Phone: (970)375-7511      Fax: ( )  
Email: naomi.azulai@bp.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20010158

WELL LOCATION INFORMATION

QtrQtr: NWSE      Sec: 3      Twp: 34N      Rng: 6W      Meridian: N  
Latitude: 37.240124      Longitude: -107.510746

Footage at Surface: 1555 Feet      FNL/FSL      FSL      1389 Feet      FEL/FWL      FEL

Field Name: IGNACIO BLANCO      Field Number: 38300  
Ground Elevation: 7279      County: LA PLATA

GPS Data:  
Date of Measurement: 10/10/2016      PDOP Reading: 1.6      Instrument Operator's Name: BRIAN BONIFACE

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

Footage at Top of Prod Zone:      FNL/FSL      FEL/FWL      Bottom Hole:      FNL/FSL      FEL/FWL  
1549      FSL      1396      FEL      710      FSL      710      FWL  
Sec: 3      Twp: 34N      Rng: 6W      Sec: 3      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: 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.)

T34N, R6W, SEC. 3, W/2SE/4, N/2SW/4 NMPM

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: 5088 Feet  
 Building Unit: 5088 Feet  
 High Occupancy Building Unit: 5280 Feet  
 Designated Outside Activity Area: 5280 Feet  
 Public Road: 3314 Feet  
 Above Ground Utility: 5280 Feet  
 Railroad: 5280 Feet  
 Property Line: 78 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: 943 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 710 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	112-214	320	S/2

## DRILLING PROGRAM

Proposed Total Measured Depth: 5921 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: \_\_\_\_\_ 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? 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: Recycle/reuse

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	8+5/8	25	0	255	200	255	0
1ST	7+7/8	5+1/2	17	0	2934	745	2934	250
1ST LINER	4+3/4	2+7/8	6.5	2461	5921			

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 APD is for a Fruitland Coal horizontal sidetrack from an existing Fruitland Coal well. The original wellbore had open-hole resistivity/gamma ray logs run from TD to surface casing. These logs were of good quality and have already been filed with COGCC (Doc Id # 956829). MWD gamma ray logs will be run in the sidetrack.

Distance from the completed portion of the wellbore to nearest wellbore permitted or completed in the same formation is 943 feet to BP's Lee Federal 2.

A wellbore diagram of the entire proposed well is attached for reference.

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

Location ID: 325843

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: Naomi Azulai

Title: Well Permitting Analyst Date: 3/16/2017 Email: naomi.azulai@bp.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: 4/29/2017

Expiration Date: 04/28/2019

**API NUMBER**

05 067 07067 01

## 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> <p>3) The two closest water wells within 1/4 mile radius of the proposed lateral shall be sampled &amp; analyzed (Cause 112 Orders 156-157 and rule 608) if not done previously.</p>
--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

## Best Management Practices

### No BMP/COA Type

### Description

--	--

## Applicable Policies and Notices to Operators

Policy
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

### Att Doc Num

### Name

2108118	FOREST SERVICE WAIVER OF SETBACK REQUIREMENTS
401192609	FORM 2 SUBMITTED
401233197	WELLBORE DIAGRAM
401233199	WELL LOCATION PLAT
401233201	DEVIATED DRILLING PLAN
401233203	OTHER
401233205	DIRECTIONAL DATA
401255209	SELECTED ITEMS REPORT

Total Attach: 8 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	This is an APD for a sidetrack to a well drilled in 2008 with a 78' property line setback. Waiver from offsetting property owner (US Forest Service) is attached as document #2108118.	04/29/2017
Permit	Final Review Completed. No LGD or public comment received.	04/28/2017
Permit	Corrected distance from completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation (switched with -02 sidetrack). Also revised operator comment to reflect this distance change.	04/28/2017
Engineer	<p>This APD pertains just to a Coal Bed Methane (CBM) lateral well. Both the surface and production casings were previously assessed and approved in the constant angle (straight line) pilot well and have been carried forward with this permit for reference purposes. Initial drilling on all laterals will commence at a depth near the bottom end of the production casing depicted in the pilot well (API #067-07067-00). The casing in this lateral will be a slotted liner and will not be cemented in place. These laterals will be completed naturally and will not be fracture stimulated. The Statewide HZ Offset Well Policy does not apply to horizontal wells not being fracture stimulated in the pay zone.</p> <p>There are no other gas wells within 150' of this proposed lateral.</p> <p>The operator failed to put the number of sacks of cement used for casings in the pilot hole or the vertical motherbore; so, the COGCC engineering unit looked it up in the COGIS Well File and entered the data.</p>	04/10/2017
Permit	Passed Completeness	03/21/2017
Permit	Return to Draft: -Less than 150' to property line; need Exception Location Request	03/17/2017

Total: 6 comment(s)