

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:

401294532

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:

06/30/2017

Well Name: Weaver Ridge

Well Number: 14-15H2

Name of Operator: BAYLESS PRODUCER LLC* ROBERT L

COGCC Operator Number: 6720

Address: 621 17TH ST STE 2300

City: DENVER State: CO Zip: 80293

Contact Name: Kimberly Rodell

Phone: (303)942-0506

Fax: ()

Email: krodell@upstreampm.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 19840003

WELL LOCATION INFORMATION

QtrQtr: SWSE Sec: 14 Twp: 1S Rng: 104W Meridian: 6

Latitude: 39.954053

Longitude: -109.032219

Footage at Surface: 30 Feet FNL/FSL FSL 1586 Feet FEL/FWL FEL

Field Name: PICEANCE HORIZONTAL
MANCOS

Field Number: 68808

Ground Elevation: 6701

County: RIO BLANCO

GPS Data:

Date of Measurement: 09/18/2013 PDOP Reading: 1.0 Instrument Operator's Name: G. Olsen

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

Footage at Top of Prod Zone: FNL/FSL FNL 551 FNL 2138 FEL 345 FEL 330 FEL/FWL
Sec: 23 Twp: 1S Rng: 104W Sec: 22 Twp: 1S Rng: 104W

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.)

T1S R104W Sec. 13: S/2NE/4; S/2; Sec. 14: S/2; Sec. 15: Lots 3,4; Sec. 24: NW/4

T1S R104W Sec. 22: Lots 1-4; Sec. 23: N2N2SW, SESW, SE, Lot 1; Sec. 27: Lots 1-4

Total Acres in Described Lease: 978 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC58705

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

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 2557 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 5280 Feet

Above Ground Utility: 265 Feet

Railroad: 5280 Feet

Property Line: 2615 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: 956 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 330 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Township 1 South, Range 104 West, 6th P.M.
Section 13: NE¼, S½; S½S½S½NW¼; Section 14: S½, S½S½S½N½; Section 15: Lots 3 and 4; Section 22: All
Section 23: All; Sec 24: NW¼; Sec 27: All

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
MANCOS B	MNCSB	559-1	2106	S-13-15, 22-24, 27

DRILLING PROGRAM

Proposed Total Measured Depth: 11851 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 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: 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	20	14	36.75	0	40	80	40	0
SURF	12+1/4	9+5/8	36	0	1200	490	1200	0
1ST	8+3/4	5+1/2	17	1200	11851	2026	11851	

☐ 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 559-1

☐ 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 The Weaver Ridge 14-15H2 has been approved by the Bureau of Land Management. This well is the second well on the pad. The Oil and Gas Location was approved for 4 wells.

The distance from completed portion of wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation is the Weaver Ridge 14-H operated by Robert L. Bayless.

There are no water wells within a 1-mile radius.

The cultural distance to a building was previously submitted on the Form 2A as 43,032'. This reference distance was to the building unit. The Form 2 states the distance to the building unit is over 5,280'. This is correct. The "building" reference on the Form 2 is not to a building unit but a storage shed and was not referenced on the old Form 2A that did not distinguish between the two.

Distance to the public road on the 2A was listed as 10,348' as COGCC does not consider a BLM lease road a public road, the distance on the Form 2 should state 5280' in reference to the County Road.

The previously submitted Form 2A referenced above ground utilities at 39,072'. Since the drilling of Bayless wells in the area, power has been constructed in the area. The correct distance to above ground utilities is now 265'.

All other distances are consistent with slight variations to the new individual well.

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

Location ID: 429335

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: 6/30/2017 Email: krodell@upstreampm.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: 9/24/2017

Expiration Date: 09/23/2019

API NUMBER

05 103 12290 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.

<u>COA Type</u>	<u>Description</u>
	Commercial disposal of drill cuttings will require notification to COGCC for the location (ID #429335) to update the Form 2A via a Form 4 Sundry Notice.
	If conductors are preset, operator shall comply with Notice to Operators: Procedures for Preset Conductors (dated September 1, 2016, revised October 6, 2016).
	Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017).
	1)Operator shall comply with the most current revision of the Northwest Notification Policy. 2)Operator shall provide cement coverage from the production casing shoe (5 1/2" FIRST STRING) to a minimum of 200' above the surface casing shoe to provide isolation of all Green River, Wasatch, and Mesaverde Group oil, gas, and water-bearing sandstone and coalbed formations that are not otherwise covered by surface casing. Verify production casing cement coverage with a cement bond log.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	The first well on this pad was logged with open-hole Resistivity Log and Gamma Ray Log from the kick-off point into the surface casing. All subsequent wells drilled on the pad will have a cement bond log with gamma-ray run on the 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 subsequent well on the pad will list all logs run and have those logs attached. The Form 5 for wells without open-hole logs shall clearly state "No open-hole logs were run as the Weaver Ridge 14-15H, API No. 05-103-11932, open-hole logs were run, completing the open-hole log requirement."
2	Drilling/Completion Operations	Operator shall comply with the most current revision of the Northwest Notification Policy.
3	Drilling/Completion Operations	Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017)

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

<u>Att Doc Num</u>	<u>Name</u>
401294532	FORM 2 SUBMITTED
401294538	UNIT CONFIGURATION MAP
401305496	DIRECTIONAL DATA
401305497	EXCEPTION LOC WAIVERS
401307239	DEVIATED DRILLING PLAN
401318160	WELL LOCATION PLAT

401328766	EXCEPTION LOC REQUEST
401355620	OffsetWellEvaluations Data
401411866	OFFSET WELL EVALUATION

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected that right to construct is by lease instead of Right of Way, and that minerals beneath the location will be produced by the location to yes, with operator approval. Corrected distance to public road from 204' to 5280' as per operator. Corrected logging BMP with operator concurrence. Added cultural distance comments in operator comments as per operator. Corrected distance to nearest wellbore in the same formaton from 1306' to 956' and corrected operator comment to reflect Weaver Ridge 14-15H well. Final review complete.	09/21/2017
Permit	Drilling waste program on the approved 2A describes Onsite Evaporate & Backfill. Adding OGLA task for review and approval.	08/02/2017
Engineer	Offset water well check: There are no permitted water wells within one mile of this proposed surface hole location. COGCC's geologic map indicates the Parachute Creek member of the Green River Formation is at the surface at this location. Proposed surface casing setting depth of 1200 feet will not provide full coverage of the Green River, Wasatch and Mesaverde Group based on reported formation tops in offset wells. Minimum cement coverage requirements are specified in Condition of Approval #2. Offset Well Evaluation: Existing offset oil and gas wells within 1,500 feet of this wellbore meet standards. No mitigation required.	07/27/2017
Permit	Added spacing description describing lands beneath wellbore in spacing and formations comment section. Added Unit configuration as per spacing order with operator consent.	07/20/2017
Engineer	Emailed operator for offset well evaluation spreadsheet. There are four offset wells within 1500 feet of the planned wellbore. 7/27: Attached offseet well evaluation spreadsheet provided by operator.	07/13/2017
Permit	Passed Completeness.	07/11/2017

Total: 6 comment(s)