

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:
401333163

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Date Received:
08/10/2017

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

Refilling
Sidetrack

Well Name: YOSEMITE Well Number: 1-3
Name of Operator: GRAND MESA OPERATING CO COGCC Operator Number: 35080
Address: 1700 N. WATERFRONT PKWY BL 600
City: WICHITA State: KS Zip: 67206
Contact Name: MICHAEL REILLY Phone: (316)265-3000 Fax: (316)265-3455
Email: MREILLY@GMOCKS.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20020080

WELL LOCATION INFORMATION

QtrQtr: SESE Sec: 3 Twp: 8S Rng: 55W Meridian: 6
Latitude: 39.377160 Longitude: -103.531420

Footage at Surface: 1007 Feet FNL/FSL FSL 791 Feet FEL/FWL FEL

Field Name: WILDCAT Field Number: 99999
Ground Elevation: 5503 County: LINCOLN

GPS Data:
Date of Measurement: 09/14/2017 PDOP Reading: 1.6 Instrument Operator's Name: ELIJAH FRANE-FRANE SURVEYING INC

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
Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

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.)

SE/4 SEC. 3-8S-55W

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: 791 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 4269 Feet

Above Ground Utility: 565 Feet

Railroad: 5280 Feet

Property Line: 791 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: 3615 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary _____ 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.)
MISSISSIPPIAN	MSSP			
ORDOVICIAN	ORDV			
PENNSYLVANIAN	PENN			

DRILLING PROGRAM

Proposed Total Measured Depth: 8400 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? No

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: ONSITE Drilling Fluids Disposal Methods: Evaporation

Cuttings Disposal: ONSITE Cuttings Disposal Method: Drilling pit

Other Disposal Description:

Evaporation and burial. We will let dry and then test pit and make sure that results are acceptable to the COGCC Table 910-1 standards.

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	11	8+5/8	24	0	350	200	350	0
1ST	7+7/8	5+1/2	17	0	8400	300	8400	6300
			Stage Tool		5200	250	5200	3900

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

Location ID: _____

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: MICHAEL REILLY

Title: PRESIDENT Date: 8/10/2017 Email: MREILLY@GMOCKS.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:  Director of COGCC Date: 11/16/2017

Expiration Date: 11/15/2019

API NUMBER 05 073 06733 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) All: Within 60 days of rig release, prior to stimulation.2) Delayed completion: 6 months after rig release, prior to stimulation.3) All: Within 30 days of first production, as reported on Form 5A.
	<ol style="list-style-type: none">1) Provide 48 hour notice prior to spud via electronic Form 42.2) If production casing is set provide cement coverage to at least 200' above the shallowest completed interval or Marmaton whichever is shallower and across Cheyenne/Dakota interval (5200' to 4600' min). Run and submit CBL verify cemented intervals.3) If well is a dry hole set plugs at the following depths: 40 sks cement +/- 50' above the Spergen, 40 sks cement +/- 50' above the Marmaton, 40 sks cement across any DST w/ show, 40 sks cement 100' below Cheyenne (5200'), 40 sks cement 50' above top of Dakota (4500'), 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface casing, cut 4 ft below GL, weld on plate, 5 sks cement each in rat hole and mouse hole.

Best Management Practices

No	BMP/COA Type	Description
1	Planning	<p>BMP Plan Grand Mesa Operating, Co. 1700 N Waterfront Pkwy, Bldg 600 Wichita, KS 67206 P - 316-265-3000 F - 316-265-3455</p> <p>Certification of Discharge under CDPHE COR-030000 Storm water discharges associated with construction permit number COR03R725 Prior to construction, perimeter controls will be installed utilizing cutting from the clearing operations. Once the well pad has been constructed a variety of BMP's shall be utilized for the site specific conditions. BMP's to be utilized may include, but are not limited to:</p> <ul style="list-style-type: none"> -Dirt berms -Erosion control blankets -Straw bale barrier -Straw wattle -Check dams -Culvert/Culvert Protection -Silt Fence -Surface roughening/Surface rip <p>Drill pits will be filled and reclaimed within 6 months weather permitting. Topsoil will be separated and spread on drill site as final operation. Storm Water Management Plan (SWMP) is on file in Grand Mesa Operating, Co office. Spill Prevention, Control and Countermeasure Plan is on file in Grand Mesa Operating, Co. office.</p>
2	Drilling/Completion Operations	<p>Per Rule 317.p -- Open-hole Resistivity Log with Gamma Ray Log will be run from TD into the surface casing. A Cement Bond Log with Gamma-Ray will be run on production casing, or on intermediate casing if a production liner is run. The Form 5, Completion Report, will list all logs run and have those logs attached.</p>

Total: 2 comment(s)

Applicable Policies and Notices to Operators

Policy
<p>Notice Concerning Operating Requirements for Wildlife Protection. http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf</p>

Attachment Check List

Att Doc Num	Name
401333163	FORM 2 SUBMITTED
401336988	WELL LOCATION PLAT
401351080	30 DAY NOTICE LETTER
401370936	SURFACE AGRMT/SURETY

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	11/14/2017
Permit	Received revised plat from operator, which has now been uploaded. Relevant data fields have also been updated to reflect this new plat.	11/14/2017
Permit	REVISED PLAT HAS TYPO ON FEL DISTANCE. Contacted operator. Waiting on 2nd revised plat package from surveyor.	10/19/2017
Permit	<p>Changed the lat/long to 39.377160/-103.531420. Per revised well location plat submitted by operator:</p> <p>Changed the surface footages to 1007 feet FSL and 791 feet FEL. Corrected ground elevation and date of GPS measurement. Changed the distance to the nearest public road to 4269 feet. Changed the distance to the nearest aboveground utility to 565 feet. Changed the distance to the nearest property line to 791 feet.</p>	10/19/2017
Permit	Corrected distance from completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation to 3615' (SE to 073-06731).	09/13/2017
LGD	County Permit # 1708	09/11/2017
Permit	Passed Completeness.	08/29/2017
Permit	<p>Returned to draft for:</p> <p>- "Surface & Minerals" tab: the box for "surface owner is the mineral owner" is unchecked, but the boxes for "is committed to an oil and gas lease" and "has signed the Oil and Gas Lease" are checked. These last two should not be checked if the surface owner is not also the mineral owner. If the surface owner is the mineral owner, then this first box should also be checked.</p>	08/18/2017

Total: 8 comment(s)