

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:

401393815

Date Received:

10/25/2017

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☐ GAS ☐ COALBED ☒ OTHER Lateral 1

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☒

Well Name: Marquez A

Well Number: 2

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)3757511

Fax: ()

Email: naomi.azulai@bp.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20010158

WELL LOCATION INFORMATION

QtrQtr: Lot 2 Sec: 7 Twp: 32N Rng: 5W Meridian: N

Latitude: 37.033074

Longitude: -107.439793

Footage at Surface: 2417 Feet FNL 781 Feet FWL

Field Name: IGNACIO BLANCO

Field Number: 38300

Ground Elevation: 6260

County: ARCHULETA

GPS Data:

Date of Measurement: 07/22/2017 PDOP Reading: 1.5 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 1893 FNL 1011 FWL 1835 FNL 710 FEL 710
Sec: 7 Twp: 32N Rng: 5W Sec: 7 Twp: 32N Rng: 5W

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.)

TOWNSHIP 32 NORTH, RANGE 5 WEST, N.M.P.M.
Section 7: Lots 1, 2, E1/2NW1/4, W1/2NE1/4

Total Acres in Described Lease: 239 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: 793 Feet
Building Unit: 801 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 766 Feet
Above Ground Utility: 694 Feet
Railroad: 5280 Feet
Property Line: 259 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: 08/11/2017

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: 525 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	112-215	320	N2

DRILLING PROGRAM

Proposed Total Measured Depth: 6528 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: 817 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? 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	24	0	360	246	360	0
1ST	7+7/8	5+1/2	15.5	0	3508	360	3508	0
1ST LINER	4+3/4	2+7/8	6.5	3360	6528			

☒ 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 The box in the Offset Well Evaluation tab has not been clicked because, though this horizontal lateral is within 1500' of another well, the laterals will not be fracture stimulated and is therefore not subject to the Interim Statewide Horizontal Offset Policy.

The property on which the pad is located is subject to an oil and gas lease, however, the current surface owner is not the mineral owner.

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

Location ID: 453717

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: Naomi Azulai

Title: Well Permitting Analyst Date: 10/25/2017 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:  _____ Director of COGCC Date: 1/16/2018

Expiration Date: 01/15/2020

API NUMBER

05 007 06327 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 kicks requiring a mud weight increase of 0.5 ppg to control the kick, 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 & analyzed (Cause 112 Orders 156-157 and rule 608) if not done previously.</p>
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Best Management Practices

No BMP/COA Type

Description

1	Drilling/Completion Operations	Laterals will have gamma-ray logs only. See Pilot APD for additional logging details.
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Total: 1 comment(s)

Applicable Policies and Notices to Operators

Policy
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>
401393815	FORM 2 SUBMITTED
401408397	DIRECTIONAL DATA
401408401	DEVIATED DRILLING PLAN
401408402	WELL LOCATION PLAT
401409054	OTHER
401440350	30 DAY NOTICE LETTER

401448233

SURFACE AGRMT/SURETY

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Per operator, SUA is right to construct and "...is committed to an O&G lease" has been unchecked. Final Review Completed. No LGD or public comment received.	01/11/2018
Permit	Corrected distance from completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation (measured to 007-06165).	01/11/2018
Engineer	DRILLING AND WASTE PLANS TAB The Southland Royalty Jaramillo 32-6 12-3; API #007-06287 is 817' from this proposed well when considering any depth of each well.	01/08/2018
Engineer	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 (Doc #401393236). 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.	01/08/2018
Permit	Passed Completeness.	11/02/2017
Permit	Returned to draft for: - attachment "SURFACE AGRMT/SURETY" missing signatures - "Well Location" tab: QtrQtr/Lot listed as "SWNW", should be "Lot 2"	11/02/2017

Total: 6 comment(s)