

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



DE	ET	OE	ES
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SUNDRY NOTICE

Submit a signed original. This form is to be used for general, technical and environmental sundry information. For proposed or completed operations, describe in full in Comments or provide as an attachment. Identify Well by API Number; identify Oil and Gas Location by Location ID Number; identify other Facility by Facility ID Number.

OGCC Operator Number: 7125 Contact Name Bob Beeman
 Name of Operator: BEEMAN OIL & GAS LLC Phone: (435) 260-8616
 Address: 418 COTTONWOOD LANE Fax: ()
 City: MOAB State: UT Zip: 84532 Email: robertbeeman@msn.com

Complete the Attachment
Checklist

OP OGCC

API Number : 05- 067 09070 00 OGCC Facility ID Number: 280138
 Well/Facility Name: HUBBS Well/Facility Number: 1
 Location QtrQtr: NWNW Section: 12 Township: 33N Range: 12W Meridian: N
 County: LA PLATA Field Name: RED MESA
 Federal, Indian or State Lease Number: _____

Survey Plat		
Directional Survey		
Srvc Eqpmt Diagram		
Technical Info Page		
Other		

CHANGE OF LOCATION OR AS BUILT GPS REPORT

- Change of Location * As-Built GPS Location Report As-Built GPS Location Report with Survey

* Well location change requires new plat. A substantive surface location change may require new Form 2A.

SURFACE LOCATION GPS DATA Data must be provided for Change of Surface Location and As Built Reports.

Latitude _____ PDOP Reading _____ Date of Measurement _____
 Longitude _____ GPS Instrument Operator's Name _____

LOCATION CHANGE (all measurements in Feet)

Well will be: _____ (Vertical, Directional, Horizontal)

Change of **Surface** Footage **From** Exterior Section Lines:

Change of **Surface** Footage **To** Exterior Section Lines:

Current **Surface** Location **From** QtrQtr NWNW Sec 12

New **Surface** Location **To** QtrQtr _____ Sec _____

Change of **Top of Productive Zone** Footage **From** Exterior Section Lines:

Change of **Top of Productive Zone** Footage **To** Exterior Section Lines:

Current **Top of Productive Zone** Location **From** Sec _____

New **Top of Productive Zone** Location **To** Sec _____

Change of **Bottomhole** Footage **From** Exterior Section Lines:

Change of **Bottomhole** Footage **To** Exterior Section Lines:

Current **Bottomhole** Location Sec _____ Twp _____

New **Bottomhole** Location Sec _____ Twp _____

Is location in High Density Area? _____

Distance, in feet, to nearest building _____, public road: _____, above ground utility: _____, railroad: _____,

property line: _____, lease line: _____, well in same formation: _____

Ground Elevation _____ feet Surface owner consultation date _____

FNL/FSL		FEL/FWL	
<u>687</u>	<u>FNL</u>	<u>621</u>	<u>FWL</u>
_____	_____	_____	_____
Twp <u>33N</u>	Range <u>12W</u>	Meridian <u>N</u>	
Twp _____	Range _____	Meridian _____	
_____	_____	_____	_____
_____	_____	_____	_____
Twp _____	Range _____		
Twp _____	Range _____		
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**

**

** attach deviated drilling plan

Comments:

ENGINEERING AND ENVIRONMENTAL WORK

NOTICE OF CONTINUED TEMPORARILY ABANDONED STATUS

Indicate why the well is temporarily abandoned and describe future plans for utilization in the COMMENTS box below or provide as an attachment, as required by Rule 319.b.(3).

Date well temporarily abandoned _____ Has Production Equipment been removed from site? _____

Mechanical Integrity Test (MIT) required if shut in longer than 2 years. Date of last MIT _____

SPUD DATE: _____

TECHNICAL ENGINEERING AND ENVIRONMENTAL WORK

Details of work must be described in full in the COMMENTS below or provided as an attachment.

NOTICE OF INTENT Approximate Start Date 01/08/2016

REPORT OF WORK DONE Date Work Completed _____

<input type="checkbox"/> Intent to Recomplete (Form 2 also required)	<input checked="" type="checkbox"/> Request to Vent or Flare	<input type="checkbox"/> E&P Waste Mangement Plan
<input type="checkbox"/> Change Drilling Plan	<input type="checkbox"/> Repair Well	<input type="checkbox"/> Beneficial Reuse of E&P Waste
<input type="checkbox"/> Gross Interval Change	<input type="checkbox"/> Rule 502 variance requested. Must provide detailed info regarding request.	
<input type="checkbox"/> Other _____	<input type="checkbox"/> Status Update/Change of Remediation Plans for Spills and Releases	

COMMENTS:

Beeman Oil & Gas, LLC respectfully requests approval to vent associated gas from the referenced well bore as an integral part of the ongoing oil production. Anticipated gas volume to be vented is approximately 3 MCF per day as shown on the attached metering table and would approximate the gas composition reflected on the attached sheet. Elevated hydrogen sulfide gas levels are not found within this field, and the gas from this well contains less than 1 ppm of hydrogen sulfide.

Details regarding Beeman's analysis of the economics of selling the gas produced by the wellfield that includes the Hubbs 1, Hubbs 2, Barbara 2, Gladys 1 and Gladys 2 wells was initially provided to COGCC in September, 2014. This analysis evaluated the economics of constructing a pipeline connecting the 5 wells to the existing Red Mesa Holdings pipeline at the Haun-Delaney 1 well and selling the gas at thenexisting market prices. The analysis clearly demonstrated that the project is un-economic with a significantly negative Net Present Value and a negative Internal Rate of Return.

Since that analysis, construction costs have remained roughly flat, while two significant negative factors have arisen. First, wellhead raw natural gas prices have plummeted 39% (from \$3.73/MCF used in the analysis to \$2.28/MCF), and Red Mesa Holdings/O&G, LLC has filed for Chapter 7 protection in bankruptcy court and has ceased operations, making their pipeline a non-functioning facility. Therefore, there is currently no existing midstream infrastructure takeaway capacity from the field. These two factors make the previous cost/benefit analysis a mute point, and a BEST case, assuming that unlikely condition of a new operator emerging from the bankruptcy proceedings and resuming pipeline operations in 2016, and natural gas prices somehow amazingly returning to 2014 levels in 2016. It is safe to assume that these conditions will prevail throughout 2016.

Beeman Oil and Gas LLC will comply with Rule 805.b.(1.).

The wells are incapable of oil production without venting and will typically produce up to three days before oil production ceases. Wells are presently shut-in awaiting COGCC approval, expedited processing of this application is requested.

CASING AND CEMENTING CHANGES

Casing Type	Size	Of	/	Hole	Size	Of	/	Casing	Wt/Ft	Csg/LinTop	Setting Depth	Sacks of Cement	Cement Bottom	Cement Top

H2S REPORTING

Data Fields in this section are intended to document Sample and Location Data associated with the collection of a Gas Sample that is submitted for Laboratory Analysis.

Gas Analysis Report must be attached.

H2S Concentration: _____ in ppm (parts per million)

Date of Measurement or Sample Collection _____

Description of Sample Point:

Absolute Open Flow Potential _____ in CFPD (cubic feet per day)

Description of Release Potential and Duration (If flow is not open to the atmosphere, identify the duration in which the container or pipeline would likely be opened for servicing operations.):

Distance to nearest occupied residence, school, church, park, school bus stop, place of business, or other areas where the public could reasonably be expected to frequent: _____

Distance to nearest Federal, State, County, or municipal road or highway owned and principally maintained for public use: _____

COMMENTS:

Best Management Practices	
No BMP/COA Type	Description

Operator Comments:

[Empty box for operator comments]

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Don Hamilton
Title: Permitting Agent Email: starpoint@etv.net Date: 1/8/2016

Based on the information provided herein, this Sundry Notice (Form 4) complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: BURGER, CRAIG Date: 5/21/2018

CONDITIONS OF APPROVAL, IF ANY:

COA Type

Description

	<p>1) Comply with all requirements of Rule 912, including monthly reporting of vented or flared volumes (on Form 7) and notifications to local emergency dispatch or the local government designee.</p> <p>2) Submit annual updates (requests to flare) to COGCC on Form 4s (Sundry Notices), including all information specified in COGCC's "Notice to Operators, Rule 912 Venting or Flaring Produced Natural Gas - Statewide."</p> <p>3) Comply with any Colorado Department of Public Health and Environment, Air Pollution Control Division rules or requirements for all atmospheric discharges. If required, an enclosed flare shall be used, unless an open flare is specifically allowed by CDPHE's Regulation 7.</p>
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General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Engineer	Well is producing, no vented gas reported. COA on approved 2014 sundry is "As per rule 912 (c) report estimated monthly vented gas volumes on COGCC form 7." Annual update not required by COA. 5/21: emailed operator to correct production reporting.	05/15/2018

Total: 1 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400967220	SUNDRY NOTICE APPROVED-VENT_FLARE
400967228	OTHER
401647584	FORM 4 SUBMITTED

Total Attach: 3 Files