

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:

401790531

(SUBMITTED)

Date Received:

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER UNPLANNED

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☒

Well Name: Melbon Ranch

Well Number: 4E-17H-M265

Name of Operator: CRESTONE PEAK RESOURCES OPERATING LLC

COGCC Operator Number: 10633

Address: 1801 CALIFORNIA STREET #2500

City: DENVER

State: CO

Zip: 80202

Contact Name: Erin Lind

Phone: (720)410-8478

Fax: ()

Email: erin.lind@crestonepr.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20160104

WELL LOCATION INFORMATION

QtrQtr: SWSW Sec: 17 Twp: 2N Rng: 65W Meridian: 6

Latitude: 40.134797

Longitude: -104.696636

Footage at Surface: 1255 Feet FNL/FSL FSL 219 Feet FEL/FWL FWL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 4956

County: WELD

GPS Data:

Date of Measurement: 03/01/2018 PDOP Reading: 1.7 Instrument Operator's Name: CHARLIE SCOTT

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

Footage at Top of Prod Zone: FNL/FSL 2070 FSL 460 FWL 2070 FSL 460 FEL FEL
Sec: 17 Twp: 2N Rng: 65W Sec: 17 Twp: 2N Rng: 65W

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.)

N/2NE/4, S/2, Sec 17, T2N, R65W

Total Acres in Described Lease: 400 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: 460 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1604 Feet
Building Unit: 1889 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 1236 Feet
Above Ground Utility: 1898 Feet
Railroad: 5280 Feet
Property Line: 219 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: 50 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Proposed Spacing Unit = Township 2 North, Range 65 West
S/2 of Section 17

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR		320	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 11945 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: 198 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? Yes

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 318A

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	24	16	42.09	0	98	78	98	0
SURF	13+1/2	9+5/8	40	0	2411	1023	2411	0
1ST	8+1/2	5+1/2	20	0	11945	1640	11945	0

☐ 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 Per COGCC Guidance Document:

- We have encountered wellbore collapse thru a graben section that took our horizontal wellbore from the Niobrara B Chalk back up into the Sharon Springs for ~800 ft. The 800 ft Sharon Springs section has collapsed resulting in stuck pipe. We have attempted fishing operations for 4-days (10/05/2018 22:30 fish ops started) and currently are requesting approval to set a 1,000 ft 17ppg cement plug to kickoff and finish drilling this well.
- Original wellbore depth is 9,491 ft MD. Bit is currently stuck at 8,400 ft MD, we have a drillpipe & BHA fish with the fish top at 6,943 ft MD.
- We have 9-5/8" 40 lb/ft J55 LTC surface casing set at 2,411 ft MD.
- Our stuck fish in the wellbore consists of 5" drillpipe with 6-3/4" monel drillcollars, conventional pulse directional tool, mud motor and 8.5" PDC bit. Fish top depth is 6,943 ft MD, Fish bottom depth is 8,400 ft MD.
- We are proposing setting a 1,000 ft 17ppg Class G cement plug with BJ Services. Bottom of cement plug will be at 6,943 ft, top of cement plug will be at 5,943 ft MD.

We will WOC for 18 hrs, then TIH and wash to ~5,943 ft MD. We will set wt down on cement plug to verify we have a good cement top before we begin sidetrack operations. BJ Services proposal is attached to this email.

- Kickoff point will be at competent cement plug top (competent cement determined by taking at least 30,000 lbs wt from above), but is proposed to be at 5,943 ft MD
- Proposed objective is same as original wellbore – Niobrara B Chalk. New directional plan will be created based on new kickoff point and getting back to horizontal target as originally planned, BHL (TD point) is the same – surface location is the same.
- Received email approval from Diana Burn on 10/10 to proceed with sidetrack operations; see attached PDF of email.

Nearest well in same formation per anti-collision is the Crestone operated Melbon Ranch 3-17 (API: 05-123-34579) SI Status.
Nearest outside operated well per anti-collision is the Kerr McGee operated HUDCO 39-18 (API: 05-123-33455) PR Status.

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? No

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

Signed: _____ Print Name: Erin Lind

Title: Regulatory Analyst Date: _____ Email: erin.lind@crestonepr.com

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: _____

Expiration Date: _____

API NUMBER

05 123 47749 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

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Best Management Practices

No BMP/COA Type

Description

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Attachment Check List

Att Doc Num

Name

401791056	CORRESPONDENCE
401791057	OTHER
401791059	OTHER
401791061	DEVIATED DRILLING PLAN
401791062	DIRECTIONAL DATA
401791780	WELLBORE DIAGRAM

Total Attach: 6 Files

General Comments

User Group

Comment

Comment Date

		Stamp Upon Approval
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Total: 0 comment(s)

Public Comments

No public comments were received on this application during the comment period.

