

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:  
401720976

APPLICATION FOR PERMIT TO:

Drill       Deepen       Re-enter       Recomplete and Operate

Date Received:  
08/31/2018

TYPE OF WELL    OIL     GAS     COALBED     OTHER  UIC-DISPOSAL   
ZONE TYPE      SINGLE ZONE     MULTIPLE ZONES     COMMINGLE ZONES

Refilling   
Sidetrack

Well Name: ROY SWD      Well Number: 2  
Name of Operator: NGL WATER SOLUTIONS DJ LLC      COGCC Operator Number: 10373  
Address: 3773 CHERRY CRK NORTH DR #1000  
City: DENVER      State: CO      Zip: 80209  
Contact Name: JOE VARGO      Phone: (303)815-1010      Fax: ( )  
Email: Joseph.Vargo@nglep.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20180132

WELL LOCATION INFORMATION

QtrQtr: NWNE      Sec: 28      Twp: 1N      Rng: 66W      Meridian: 6  
Latitude: 40.028650      Longitude: -104.780150

Footage at Surface: 301 Feet      FNL/FSL FNL 2077 Feet      FEL/FWL FEL

Field Name: WATTENBERG      Field Number: 90750

Ground Elevation: 5047      County: WELD

GPS Data:  
Date of Measurement: 07/11/2018    PDOP Reading: 2.3    Instrument Operator's Name: SCOTT SHERARD

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

Footage at Top of Prod Zone: FNL/FSL FNL 2323 FEL      FEL/FWL FEL 1668 FNL 2323 FEL  
Bottom Hole: FNL/FSL FNL 1668 FNL 2323 FEL  
Sec: 21      Twp: 1N      Rng: 66W      Sec: 21      Twp: 1N      Rng: 66W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership:  Fee       State       Federal       Indian

The Surface Owner is:  
(check all that apply)       is the mineral owner beneath the location.  
    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: No

The right to construct the Oil and Gas Location is granted by: applicant is owner

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.)

There is no lease as there are no minerals applicable to the wellbore.

Total Acres in Described Lease: \_\_\_\_\_ 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: \_\_\_\_\_ Feet

**CULTURAL DISTANCE INFORMATION**

Distance to nearest:

- Building: 1018 Feet
- Building Unit: 1018 Feet
- High Occupancy Building Unit: 5280 Feet
- Designated Outside Activity Area: 5280 Feet
- Public Road: 269 Feet
- Above Ground Utility: 275 Feet
- Railroad: 5280 Feet
- Property Line: 275 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: 07/23/2018

**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: 3486 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.)
ADMIRE	ADMI			
AMAZON	AMZN			
COUNCIL GROVE	COUGR			
FOUNTAIN	FNTN			
LOWER SATANKA	LSTKA			
LYONS	LYNS			
MISSOURI	MSSR			
VIRGIL	VRGL			
WOLFCAMP	WFCMP			

### DRILLING PROGRAM

Proposed Total Measured Depth: 12164 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 H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H<sub>2</sub>S 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 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? No

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	26	16	42	0	80	400	80	0
SURF	14+3/4	10+3/4	40.5	0	1175	402	1175	0
1ST	9+7/8	7+5/8	29.7	0	10148	254	10148	8776
1ST LINER	6+5/8	5+1/2	17	10096	12164			
	9+7/8	7+5/8	Stage Tool		8776	1158	8776	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 This well is part of a 4 well pad, all tied to the Form 2A for the ROY SWD FACILITY, Doc 401715678. Form 33 will be submitted the same day as this Form 2. The WH is over 1000' from the nearest BU, but the Form 2A submitted is within 1000' of a BU. The Plugging and Abandonment Surety Bond ID will be supplied as soon as received.  
  
On the Drilling and Waste Plans tab, distance from proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells: using 3D the nearest is well over 1500'.

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: PAUL GOTTLOB

Title: Regulatory & Engin. Tech. Date: 8/31/2018 Email: paul.gottlob@iptenergyservices

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: 1/12/2019

Expiration Date: 01/11/2021

<b>API NUMBER</b>
05 123 49504 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>
	<ol style="list-style-type: none"><li>1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU (spud notice) for the first well activity with a rig on the pad.</li><li>2) Comply with Rule 317.j. and provide cement coverage from end of 7-inch casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.</li><li>3) Bradenhead test shall be performed within 60 days of rig release and the Form 17 submitted within 10 days of the test.</li></ol>
	<ol style="list-style-type: none"><li>1. Injection is not authorized until approval of Subsequent Forms 31 and 33.</li><li>2. Water sample(s) from Roy SWD #1 injection zone, if acceptable, may be used for Roy SWD #2. If Roy SWD #2 is drilled first then collect injection zone water samples before stimulating formation. Samples must be analyzed for Total Dissolved Solids at a minimum.</li><li>3. PRIOR TO PERFORMING OPERATIONS: Operator is required to contact COGCC to discuss acid and fracturing jobs. Approval of Form 4 may be required for acid and fracturing jobs. (As of 4/13/2016)</li><li>4. PRIOR TO PERFORMING OPERATIONS: Operator is required to contact COGCC to discuss Step Rate Test or Injectivity Test criteria for Maximum Surface Injection Pressure determination. Prior approval of Form 4 may be required for step rate and injectivity tests.</li><li>5. For ALL NEW DRILL UNDERGROUND INJECTION WELLS a suite of open-hole Resistivity/Gamma Ray and Density/Neutron logs IS REQUIRED from Surface Casing shoe to TD. A PDF, TIFF, or PDS visual image and a LAS or DLIS file version of each log is required.</li><li>6. For all new and converted Underground Injection Control wells a Cement Bond Log (CBL) is required on the cased portions of the hole from the bottom of the casing to the top of the next shallower casing string for all casing strings other than the Surface Casing. Only a PDF, TIFF, or PDS visual image is required.</li><li>7. Operator must provide all tops of formations encountered from surface to TD on the Form 5 when submitted.</li><li>8. Well must pass MIT witnessed by COGCC before Subsequent Forms 31 and 33 will be approved. Well in must be in injection configuration.</li></ol>

## Best Management Practices

<b>No</b>	<b>BMP/COA Type</b>	<b>Description</b>
1	Drilling/Completion Operations	317.p The operator shall be required to run a minimum of a resistivity log with gamma-ray or other petrophysical log(s) approved by the Director that adequately describe the stratigraphy of the wellbore. A cement bond log shall be run on all production casing or, in the case of a production liner, the intermediate casing, when these casing strings are run. These logs and all other logs run shall be submitted with the Drilling Completion Report, Form 5. Open-hole logs or equivalent cased-hole logs shall be run at depths that adequately verify the setting depth of surface casing and any aquifer coverage. These requirements shall not apply to unlogged open-hole completion intervals.
2	Drilling/Completion Operations	For all new and converted Underground Injection Control wells a Cement Bond Log (CBL) is a required on the cased portions of the hole from the bottom of the casing to the top of the next shallower casing string for all casing strings other than the Surface Casing. Only a PDF visual image is required.
3	Drilling/Completion Operations	A Mud log is required containing at least the following information: Rate of Penetration Log, and the location of any drilling breaks or zones of lost circulation.
4	Final Reclamation	604.c.(2)T. Within 90 days subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site. Identification of plugged and abandoned wells will be identified pursuant to 319.a.(5)
5	Final Reclamation	604.c.(2)U. Final Reclamation-The operator shall identify the location of the wellbore with a permanent monument as specified in Rule 319.a.(5). The operator shall also inscribe or imbed the well number and date of plugging upon the permanent monument.

Total: 5 comment(s)

### Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.  
[http://cogcc.state.co.us/documents/reg/Policies/Wildlife\\_Notice.pdf](http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf)

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.  
<http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf>

### Attachment Check List

<b>Att Doc Num</b>	<b>Name</b>
401720976	FORM 2 SUBMITTED
401721058	OffsetWellEvaluations Data
401721063	WELL LOCATION PLAT
401750848	DIRECTIONAL DATA
401750850	DEVIATED DRILLING PLAN
401750854	WELLBORE DIAGRAM
401903127	OFFSET WELL EVALUATION

Total Attach: 7 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	The permitting staff has removed the Open Hole Logging BMP so it does not conflict with the Injection COA's. Final Review Completed.	01/08/2019
Engineer	Operator has indicated oil-based drilling fluids will not be used.	12/28/2018
Permit	Passed Completeness	09/12/2018
Permit	Added the surety ID as per operator	09/12/2018
Permit	Waiting on operator to submit surety ID	09/07/2018

Total: 5 comment(s)