Operator Guidance: Form 2 Instructions STATEWIDE FRACTURE STIMULATION SETBACK — <u>NEW</u> RULE 317.s Effective 1/30/2015 2-3-2015

Rule / Policy Citation

Rule 317.s Statewide Fracture Stimulation Setback

- (1) No portion of a proposed wellbore's treated interval shall be located within 150 feet of an existing (producing, shut-in, or temporarily abandoned) or permitted oil and gas wellbore's treated interval belonging to another operator without the signed written consent of the operator of the encroached upon wellbore. The signed written consent shall be attached to the Application for Permit-to-Drill, Form 2 for the proposed wellbore.
- (2) The distance between wellbores measurement shall be based upon the directional survey for drilled wellbores and the deviated drilling plan for permitted wellbores, or as otherwise reflected in the COGCC well records.

Purpose

Obtaining the consent of the operator of an adjacent well within 150' of a portion of a proposed wellbore that will be fracture stimulated protects correlative rights by preventing encroachment.

Requirements for Form 2

1. A Form 2, Application for Permit to Drill for a proposed well that will be fracture stimulated within 150' of the completed zone in an existing or permitted wellbore belonging to another operator requires the signed written consent as an attachment called "Stimulation Setback Consent". (See Note # 1 below.)

Notes

- 1. Guidance for the "Stimulation Setback Consent" attachment is posted on the FORMS page of the COGCC website under Form 2 Instructions and Form 2 Attachment Guidance.
- 2. If the proposed well is subject to this rule, it is also subject to Rule 317.r.