

UNPLANNED Sidetrack While Drilling: Approval and Reporting Process

SOUTHWESTERN Colorado ONLY

Revised November 6, 2013

COGCC approval is required prior to drilling any sidetrack of any wellbore (Rule 303a.(1) and 303.a(4)). The operator must obtain verbal approval from an authorized COGCC representative prior to plugging back and/or sidetracking, and the operator must submit required forms and data after the sidetrack operations have started.

1. OPERATOR

- a. Contact (by phone & email) COGCC Engineering to request approval to plug back a wellbore and/or drill an unplanned sidetrack
 - i. Primary: Southwestern Engineer = Mark Weems 970-749-0624 (mark.weems@state.co.us)
 - ii. Alternate: Engineering Supervisor = Dave Andrews 970-456-5262 (david.andrews@state.co.us)
 - iii. Second Alternate: If unable to reach the contacts designated above, Stuart Ellsworth 303-489-2977 (stuart.ellsworth@state.co.us)
- b. Provide all of the following information by email to the appropriate COGCC Engineer shown above in Step 1.a.
 - i. Explanation of the situation that has resulted in the need to sidetrack
 - ii. Identify the number (previously-assigned API Number suffix) of the wellbore that is being sidetracked
 - iii. Total measured depth reached in the wellbore being plugged back
 - iv. Casing set – size(s) and measured depth(s)
 - v. Description of fish in the hole (if any) – including top and bottom measured depths
 - vi. Description of proposed plugs: setting measured depths, heights, and cement volumes
 - vii. Type of cement to be used for all plugs, including slurry weight (ppg) and yield (cf/sk)
 - viii. Measured depth of proposed sidetrack kick-off point
 - ix. Proposed objective formation(s) for sidetrack hole – new or same as the wellbore being abandoned
 - x. BHL target for sidetrack hole – new or same as the wellbore being abandoned (NOTE: a change in the BHL must be reviewed and approved by COGCC Permitting prior to completing the sidetrack. Drilling a sidetrack to an unapproved BHL could result in an NOAV, plugging the well, or both).

2. COGCC Engineering

- a. Evaluate proposed plug back procedure and discuss with operator if necessary
- b. Provide verbal approval (by phone & email) to the operator for the plug back procedure and unplanned sidetrack
 - i. Send email to operator and to permit supervisor, area permit tech, field inspection supervisor, and area field inspector
 - ii. ALWAYS attach PDF of most recent version of this Southwestern Colorado Unplanned Sidetrack While Drilling: Approval and Reporting Process document to the email
 - iii. Attach most recent version of sidetrack suffix summary spreadsheet as described in Step 2.d. below
 - iv. Identify new objective formation(s) and/or new BHL for sidetrack wellbore as necessary
 - v. If sidetrack BHL differs from BHL for the wellbore being abandoned, then include a statement in the email that indicates: “Verbal approval to proceed is contingent upon the assumption that the BHL and wellbore path remain at a legal location for completion (COGCC permitting staff will evaluate prior to formal approval of the forthcoming Application for Permit to Drill a Sidetrack Wellbore, Form 2). If the BHL or the productive portion of the sidetrack wellbore extends into locations that are not legal, then [INSERT OPERATOR NAME] may have to plug back portion(s) of the well that are not legal or obtain waivers from offset mineral interests.”

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- vi. Assign a new wellbore number (API Number suffix) for the sidetrack, to be entered on the API sidetrack suffix numbers spreadsheet described in Step 2.d. below, and to be used by the operator for all submittals associated with the sidetrack
 - c. Add a RemindmE for the well, indicating “[ENGINEER NAME] provided verbal approval for a request to sidetrack on [XX/XX/XXXX OR “Various Dates”]. See API sidetrack suffix numbers spreadsheet [G:\XXXX\XXXX\XXXX] for details.” Insert appropriate values in the bracketed items. This step should occur the same day as the approval or as soon as possible thereafter.
 - d. Create and maintain a spreadsheet to record API sidetrack suffix numbers for all planned and unplanned sidetracks in the well.
3. OPERATOR
- a. Proceed with plugback and sidetrack following receipt of verbal approval from COGCC Engineering
 - b. Submit required forms and data (see details below) to the COGCC area permit tech in Denver for the sidetrack operations as follows:
 - i. Within 24 hours (or end of next business day) submit Application for Permit to Drill a Sidetrack Wellbore, Form 2 to COGCC for formal approval of the Sidetrack Wellbore: Submit the Form 2 electronically via eForm, and immediately notify COGCC area permit tech by sending an email with the eForm Document Number, OR Send a scanned copy of the signed Form 2 via email directly to COGCC area permit tech (do not submit hard copy)
 - ii. Within 30 days, submit Drilling Completion Report, Form 5 for the wellbore being abandoned to report operations associated with the drilling and plug back or abandonment of that wellbore.
4. COGCC Permitting - Upon receipt of the email described in Step 2.b.i. from COGCC engineering:
- a. Contact operator to confirm operator’s plans for 24-hour submittal of Form 2 and 30-day submittal of Form 5
 - b. Expedite data entry of Form 2 if paper form submitted
 - c. Pass completeness on Form 2
 - d. Set due dates to today and waive tasks for LGD and Public Comment eForm tasks on Form 2
 - e. Send email to COGCC engineering after passing eForm task on Form 2, and coordinate processing of Form 2 with COGCC engineering
 - f. Expedite approval of Form 2 by the Director
5. OPERATOR
- a. Notify (by phone & email) COGCC Southwestern Engineer within 24 hours of completion of drilling the last wellbore of the well
 - b. Provide a wellbore diagram of the well showing all wellbores and pre-assigned API suffix numbers for each wellbore
6. COGCC Engineering
- a. Complete the spreadsheet started in Task 2.d., to confirm API suffix numbers for all planned and unplanned sidetracks in the well
 - b. Discuss any conflicting data, and request a corrected wellbore diagram if any discrepancies are observed with API suffix numbers
 - c. Email the final spreadsheet to the operator, permit supervisor, and area permit tech

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7. OPERATOR

- a. Within 24 hours (or end of next business day) submit a Sundry Notice Form 4 for the original well (-00 API Number suffix) using the wellbore diagram and API suffix numbers spreadsheet as supporting documentation to narratively describe all planned and unplanned sidetracks in the well: Submit the Form 4 with wellbore diagram and API suffix numbers spreadsheet electronically via eForm, and immediately notify COGCC area permit tech by sending an email with the eForm Document Number, OR Send a scanned copy of the signed Form 4 with wellbore diagram and API suffix numbers spreadsheet attachments via email directly to COGCC area permit tech (do not submit hard copy)

8. COGCC Permitting - Upon receipt of the Sundry Notice, Form 4:

- a. Contact operator to discuss any missing Form 2s and Form 5s
- b. Obtain missing forms and data from operator
- c. Facilitate data entry of all forms if paper forms submitted
- d. Set due dates to today and waive tasks for LGD and Public Comment eForm tasks on Form 2s
- e. Coordinate and expedite processing and approval of all necessary Form 2s, Form 5s, and the Form 4 with COGCC engineering

9. COGCC Engineering

- a. Approve the Sundry Notice, Form 4 for the original well (including the wellbore diagram and spreadsheet attachments) after all the required Form 2s and Form 5s have been approved

DETAILED OPERATOR INSTRUCTIONS for REQUIRED FORMS

Application for Permit to Drill Form 2 for EVERY Unplanned Sidetrack Wellbore: for COGCC approval of the UNPLANNED sidetrack wellbore(s)

1. Submit within 24 hours (or end of next business day) to COGCC in Denver: Submit the Form 2 electronically via eForm, and immediately notify COGCC area permit tech by sending an email with the eForm Document Number, OR Send a scanned copy of the signed Form 2 via email directly to COGCC area permit tech (do not submit hard copy)
2. Check Sidetrack box and enter "UNPLANNED SIDETRACK" on "Other:" line at top of Form 2
3. Complete all information, using actual values where applicable (e.g., surface casing information)
4. **REQUIRED ATTACHMENTS:**
 - a. Revised Well Location Plat if new BHL target (hand revision of previous plat is acceptable)
 - b. Revised Deviated Drilling Plan if new BHL target
 - c. Convert engineer's verbal approval email to a PDF and attach to the Form 2 as "CORRESPONDENCE"
5. **REQUIRED OPERATOR COMMENTS:**
 - a. Brief description of the UNPLANNED sidetrack, including actual KOP for the sidetrack
 - b. Verbal/email approval to plug back and sidetrack – indicate the name of the COGCC Engineer who granted verbal/email approval, as described in Step 1.b., and the date approval granted

Drilling Completion Report Form 5 for EVERY Wellbore: to report the completion of the drilling and the plug back of the wellbore(s)

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1. Submit within 30 days to COGCC in Denver
2. Submit one original paper Form 5 *or* submit Form 5 electronically in eForm
3. **ALL** information is **REQUIRED** and **ALL** casing, casing cement, and total depth information must be the **ACTUAL** data: This wellbore has been drilled, do not submit the Form 5 with the proposed casing and cement information from the Form 2, which may differ from the actual casing and cement information.
4. Provide actual total depth reached and calculate the footages from section lines for the BHL at that TD
5. Enter all actual plug data
 - a. For a paper submittal use Casing, Liner and Cement (Line 20) section of the form
 - b. For an eForm submittal use Stage/Top Out/Remedial Cement section of the form
6. **REQUIRED ATTACHMENTS:**
 - a. Cement job summaries for all plugs
 - b. Wireline job summaries for any wireline-set plugs
 - c. Cement job summaries for all primary casing cement jobs and any remedial casing cement jobs
 - d. Directional survey
 - e. Logs - LAS and PDF/TIFF (State on Form 5 if no logs were run.)
7. **REQUIRED OPERATOR COMMENTS:**
 - a. Brief description of the UNPLANNED sidetrack, including actual KOP for the sidetrack

NOTE: Upon passing the Engineering Task on the Form 5 for the wellbore that was sidetracked, the COGCC Engineer will manually enter a status of AB for that wellbore in Well Update.

Sundry Notice Form 4 for Original Wellbore: to confirm all API suffix numbers for all planned and unplanned sidetracks, and to document COGCC verbal approval for all plugbacks and unplanned sidetracks

1. Submit within 24 hours (or end of next business day) to COGCC in Denver after receipt of final API suffix number spreadsheet from COGCC Southwestern Engineer
2. *Submit the Form 4 with wellbore diagram and API suffix numbers spreadsheet electronically via eForm, and immediately notify COGCC area permit tech by sending an email with the eForm Document Number, OR Send a scanned copy of the signed Form 4 via email directly to COGCC area permit tech (do not submit hard copy)*
3. **ENGINEERING AND ENVIRONMENTAL WORK** section of Form 4
 - a. Check "REPORT OF WORK DONE" box and provide "Date Work Completed:"
 - b. Check "Other" box and enter "UNPLANNED SIDETRACKS"
 - c. **REQUIRED OPERATOR COMMENTS:** Use all information on API suffix number spreadsheet provided by COGCC Southwestern Engineer to describe all sidetracks in the well
4. **REQUIRED ATTACHMENTS:**
 - a. Wellbore diagram including all wellbores, all casing, all plugs, all KOPs for all sidetracks
 - b. Final API suffix number spreadsheet