

FORM
2
Rev
08/13

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:
400534240

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Date Received:
01/06/2014

TYPE OF WELL OIL GAS COALBED OTHER _____
ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refiling
Sidetrack

Well Name: Carl Allen Well Number: 51
Name of Operator: WEXPRO COMPANY COGCC Operator Number: 95960
Address: P O BOX 45003
City: SALT LAKE CITY State: UT Zip: 84145-0601
Contact Name: Tammy Fredrickson Phone: (307)352-7514 Fax: (307)352-7575
Email: Tammy.Fredrickson@Questar.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: NESW Sec: 32 Twp: 12N Rng: 97W Meridian: 6
Latitude: 40.953206 Longitude: -108.319786

Footage at Surface: 1310 feet FNL/FSL FSL 1531 feet FEL/FWL FWL

Field Name: POWDER WASH Field Number: 69800

Ground Elevation: 6699 County: MOFFAT

GPS Data:
Date of Measurement: 05/12/2011 PDOP Reading: 1.4 Instrument Operator's Name: D. Kay

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

Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL
2285 FSL 921 FWL 2285 FSL 921 FWL
Sec: 32 Twp: 12N Rng: 97W Sec: 32 Twp: 12N Rng: 97W

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.)

See attached map.

Total Acres in Described Lease: 640 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # COD0038678

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 921 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 Feet

Building Unit: 3593 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 888 Feet

Above Ground Utility: 2260 Feet

Railroad: 5280 Feet

Property Line: 5280 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 Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 830 Feet

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

Federal or State Unit Name (if appl): Powder Wash Unit Number: COC047671A

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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| FORT UNION | FTUN | | | |
| WASATCH | WSTC | | | |

DRILLING PROGRAM

Proposed Total Measured Depth: 9765 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 830 Feet (Including plugged wells)

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? 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 609

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: ONSITE Drilling Fluids Disposal Methods: Recycle/reuse
 Cuttings Disposal: ONSITE Cuttings Disposal Method: Drilling pit
 Other Disposal Description:

Drilling fluids are recycled/reused on a multi-well pad. After the last well on the pad is drilled the remaining drilling fluids are disposed of at an approved commercial site or injection well.

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 | 20 | 16 | 42 | 0 | 80 | 155 | 80 | 0 |
| SURF | 12+1/4 | 9+5/8 | 36 | 0 | 1500 | 535 | 1500 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 13.5 | 0 | 9765 | 1462 | 9765 | 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 will be drilled directionally and there will be five additional well bores located on the pad to minimize surface disturbance. This pad is covered under the Carl Allen 44 pad surface use plan dated 10/21/11. There have been no changes to the location since the original APD.
The pad has not been built.
The pit has not been constructed.
There will be no additional surface disturbance from what was originally approved.
The location does not require a variance from any of the rules listed in Rule 306.d.(1).(A).(ii).
The location is not within a wildlife Restricted Surface Occupancy Area

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 426910

Is this application being submitted with an Oil and Gas Location Assessment application? Yes

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

Signed: _____ Print Name: Jimmy L Druce

Title: General Manager Date: 1/6/2014 Email: Jimmy.Druce@Questar.com

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: 5/7/2014

Expiration Date: 05/06/2016

API NUMBER

05 081 07711 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

| | |
|--|---|
| | (1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED. SEE ATTACHED NOTICE. (2) CEMENT ON PRODUCTION CASING (4+1/2" FIRST STRING) MUST EXTEND INTO THE SURFACE CASING (MINIMUM 200' LAP ABOVE SURFACE CASING SHOE) TO PROVIDE ISOLATION OF ALL TERTIARY (INCLUDING FORT UNION FORMATION AND WASATCH FORMATION) OIL, GAS, AND WATER-BEARING SANDSTONE AND COALBED FORMATIONS THAT ARE NOT OTHERWISE COVERED BY SURFACE CASING. VERIFY PRODUCTION CASING CEMENT COVERAGE WITH A CBL. |
| | Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire well bore and to adequately verify the setting depth of surface casing and aquifer coverage. On a multi-well pad, these open hole logs are only required on one of the first wells drilled on the pad and the Drilling Completion Report - Form 5 for every well on the pad shall identify which well was logged. |

Best Management Practices

| <u>No</u> | <u>BMP/COA Type</u> | <u>Description</u> |
|-----------|--|---|
| 1 | Storm Water/Erosion Control | Storm water and erosion control methods will be utilized from the start of construction until stabilization of the site. |
| 2 | Material Handling and Spill Prevention | The tanks will be surrounded by a containment that is capable of containing 110% of the largest tank during the production phase of the well. |
| 3 | Drilling/Completion Operations | The location will be bermed in all areas where a fill slope is present to contain all fluids on the location. |

Total: 3 comment(s)

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|------------------|
| 400534240 | FORM 2 SUBMITTED |

Total Attach: 1 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|---|-----------------------|
| Permit | If location not built by 2A expiration 12/15/2014. Operator must refile form 2A for approval prior to location construction. | 5/6/2014 6:10:00 AM |
| Permit | Final review completed on this refile. No LGD comments. | 5/5/2014 11:00:03 AM |
| Engineer | Offset Well Evaluation and Acknowledgement: COGCC Engineering contacted operator on 1/27/2014, concerned about the potential for this proposed well to communicate with three offset producing wells and one offset plugged and abandoned well during stimulation. Wells of Concern: CARL ALLEN A-8 (05-081-05474), TD AT 8990', PBDT AT 6320' IN FTUN, PRIMARY TOC N/A (SOME UNCEMENTED WSTC POSSIBLE, NO CBL ON FILE), 1994 CSG LEAK SQZ 100 SX CMT 2316' TO 2285', 2007 CSG LEAK SQZ 100 SX CMT 2220' TO 2190', SURFACE CASING SET AT 261'; STEWART A-1 (05-081-05465), TD AT 7654', PBDT AT 6354' IN FTUN, PRIMARY TOC N/A (SOME UNCEMENTED WSTC POSSIBLE), NO RECORD OF SURFACE CASING; DONNELL, JC A-1 (05-081-05479), TD AT 7100', PBDT AT 6484' IN FTUN, FTUN PRODUCER, PRIMARY TOC N/A (SOME UNCEMENTED WSTC POSSIBLE), SURFACE CASING SET AT 298'; and CARL ALLEN 1 (05-081-05463), TD AT 5032', PRIMARY TOC N/A (SOME UNCEMENTED WSTC POSSIBLE), SURFACE CASING SET AT 2294', PRODUCED WSTC, PLUG IN PRODUCTION CASING NEAR WSTC BASE FROM 5031' TO 4850', NO SURFACE CASING SHOE PLUG, BUT 10 SX CMT AT SURFACE. Operator responded on 4/4/2014 and secured an agreement on 4/14/2014 with COGCC Engineering Staff that additional mitigation is unnecessary with these offset wells during stimulation of this proposed well because of the expected primary hydraulic fracture direction, which is oriented away from the offset wells. | 4/16/2014 2:29:43 PM |
| Engineer | THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 812 FEET DEEP. | 4/16/2014 2:29:28 PM |
| Engineer | PROPOSED SURFACE CASING OF 1,500 FEET WILL NOT PROVIDE FULL COVERAGE OF WASATCH FORMATION, BASED ON FORT UNION REPORTED LOG TOPS IN OFFSET WELLS. | 4/16/2014 2:29:08 PM |
| Permit | Operator requested that the refile statements be inserted. | 3/31/2014 11:13:55 AM |
| Permit | Passed completeness. | 1/6/2014 1:49:35 PM |

Total: 7 comment(s)