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State of Colorado
Attn: COGCC Director, Matt Lepore
Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203

ENVIRONMENT

Subject:

Rule 502.b Variance Letter Request for Reclamation of a Portion of the Koch 22-7 2 Access Road Formerly Operated by Citation Oil and Gas Corporation (Citation)

Date:
October 28, 2015

Dear Mr. Lepore,

Contact:
Ben Shoup

This letter is submitted on behalf of Citation and is in regards to a reclamation variance request for a portion of the Koch 22-7 2 access road. The landowner, Mr. William Lyons, has requested a portion of the access road not be reclaimed as it initially replaced a two track following a fence line on his property. Per conversations with Ryan Costa, the COGCC inspector responsible for this site, Citation was instructed to follow guidance for this variance request from the document titled: Rule 502.b Variance Requirements, dated October 10, 2014. Rule 502.b also requires a formal variance via Rule 1001.c to waive final reclamation. Documentation for Rule 1001.c can be found in the attached Appendices.

Phone:
(307) 684-5891

Email:
Ben.shoup@arcadis-us.com

The subject location is the access road to the Koch 22-7 2 (Facility ID# 218128, API# 05-073-06113) well pad, located in the SENW, of T12S R52W, Clifford Field, Lincoln County, CO. Specifically, the section from County Road 63 heading east until it turns north toward the well pad (approximately 0.35 miles east of County Road 63).

Our ref:
WY002655.0001

The proposed variance does not meet the final reclamation requirements of Rule 1004 by not having final reclamation at the site. Citation is prepared to reclaim the site but the landowner would like a portion of the two-track road to stay "as-is" for ranching operations. Compliance of Rule 1004 is not achievable and a variance is requested. The proposed variance will not violate the basic intent of the Oil and Gas Conservation Act as it will not impact the protection of public health, safety, welfare or environment.

Impacted parties include Citation and the landowner, William Lyons, who requested the variance (Appendix 3). If the variance is granted, no further work on the road will

Imagine the result

be required as it is stable and is free of equipment and trash. Per a call with Ryan Costa on 6/23/15, he stated the landowner waiver for the Rule 1001.c would also be used for the Rule 502.b variance requirement.

Sincerely,

ARCADIS U.S., Inc.



Ben Shoup
Client Director, Oil and Gas Sector

Copies:
Ethan Jahnke, Principal Scientist

/file

Enclosures

- Appendix 1 – Rule 1001.c Requirement: COGCC Form 6 Approved for Koch 22-7 2 Well
- Appendix 2 – Rule 1001.c Requirement: Photolog of Koch 22-7 2 Well and Access Road
- Appendix 3 – Rule 1001.c Landowner Variance Request



Appendix 1



02285616

1/2

FORM
6
Rev
02/11

state of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



DE ET OE ES

Date Received:

WELL ABANDONMENT REPORT

RECEIVED

Document Number:
OCT 31 2011

COGCC

This form is to be submitted as an Intent to Abandon whenever an abandonment is planned on a borehole. After the abandonment is complete, this form shall again be submitted as a Subsequent Report of the actual work completed. The approved intent shall be valid for six months after the approval date, after that period, a new intent will be required. Attachments required with the Intent to Abandon are wellbore diagrams of the current configuration and the proposed configuration with plugs set.

A Subsequent Report of Abandonment shall indicate the actual work completed. Attachments required with a Subsequent Report are a wellbore diagram showing plugs that were set and casing remaining in the hole, the job summaries from all plugging contractors used, including wireline and cementing (third party verification) and any logs that may have been run during abandonment.

OGCC Operator Number: 17180 Contact Name: Kimberly Moorhead
 Name of Operator: Citation Oil & Gas Corp. Phone: (281) 891-1555
 Address: P O Box 690688 Fax: (281) 460-2168
 City: Houston State: TX Zip: 77269-0688 Email: kmoorhead@cogc.com

For Intent 24 hour notice required, Name: _____ Tel: _____
 COGCC contact: _____ Email: _____

API Number 05-073-06113---
 Well Name: Koch Well Number: 2
 Location: QtrQtr: SENW Section: 7 Township: 12S Range: 52W Meridian: 6th PM
 County: Lincoln Federal, Indian or State Lease Number: _____
 Field Name: Clifford Field Number: _____

Notice of Intent to Abandon Subsequent Report of Abandonment

Only Complete the Following Background Information for Intent to Abandon

Latitude: _____ Longitude: _____
 GPS Data:
 Date of Measurement: _____ PDOP Reading: _____ GPS Instrument Operator's Name: _____
 Reason for Abandonment: Dry Production for Sub-economic Mechanical Problems
 Other _____
 Casing to be pulled: Yes No Top of Casing Cement: _____
 Fish in Hole: Yes No If yes, explain details below
 Wellbore has Uncemented Casing leaks: Yes No If yes, explain details below
 Details: _____

Current and Previously Abandoned Zones

Formation	Code	Perf. Top	Perf. Btm	Date	Method of Isolation	Plug Depth
Marmaton		6009	6012		Sqz'd w/ 200 Sx	

Total: 0 zone(s)

Casing History

Casing Type	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bot	Cement Top	Status
Surface	13 3/8"	7"	68#	308	300	308	Surface	
Production	8 3/4"	7"	23	5315	350	5315	6000	

2/2

Plugging Procedure for Intent and Subsequent Report

CIBP #1: Depth 3300 with 2 sacks cmt on top. CIPB #2: Depth _____ with _____ sacks cmt on top.
 CIBP #3: Depth _____ with _____ sacks cmt on top. CIPB #4: Depth _____ with _____ sacks cmt on top.
 CIBP #5: Depth _____ with _____ sacks cmt on top.

NOTE: Two(2) sacks cement required on all CIBPs.

Set _____ sks cmt from _____ ft. to _____ ft. in Plug Type: _____ Plug Tagged:
 Set _____ sks cmt from _____ ft. to _____ ft. in Plug Type: _____ Plug Tagged:
 Set _____ sks cmt from _____ ft. to _____ ft. in Plug Type: _____ Plug Tagged:
 Set _____ sks cmt from _____ ft. to _____ ft. in Plug Type: _____ Plug Tagged:
 Set _____ sks cmt from _____ ft. to _____ ft. in Plug Type: _____ Plug Tagged:

Perforate and squeeze at 3275 ft. with 70 sacks. Leave at least 100 ft. in casing 3175 CICR Depth
 Perforate and squeeze at 2922 ft. with 30 sacks. Leave at least 100 ft. in casing 2822 CICR Depth
 Perforate and squeeze at 360 ft. with 50 sacks. Leave at least 100 ft. in casing 260 CICR Depth

(Cast Iron Cement Retainer Depth)

Set _____ sacks half in. half out surface casing from _____ ft. to _____ ft. Plug Tagged:
 Set 20 sacks at surface
 Cut four feet below ground level, weld on plate Above Ground Dry-Hole Marker: Yes No
 Set _____ sacks in rat hole Set _____ sacks in mouse hole

Additional Plugging Information for Subsequent Report Only

Casing Recovered: _____ ft. of _____ inch casing Plugging Date: 10/12/2011
 *Wireline Contractor: Peak Wireline Service, INC. *Cementing Contractor: Allied Cementing Co., LLC

Type of Cement and Additives Used: Common
 Flowline/Pipeline has been abandoned per Rule 1103 Yes No *ATTACH JOB SUMMARY

Provide Technical Detail:

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.
 Signed: *Kimberly Moorhead* Print Name: Kimberly Moorhead
 Title: Completion Analyst Date: 10/26/2011 Email: kmoorhead@cogc.com

Based on the information provided herein, this Well Abandonment Report (Form 6) complies with COGCC Rules and applicable orders and is hereby approved.
 COGCC Approved: _____ Date: _____

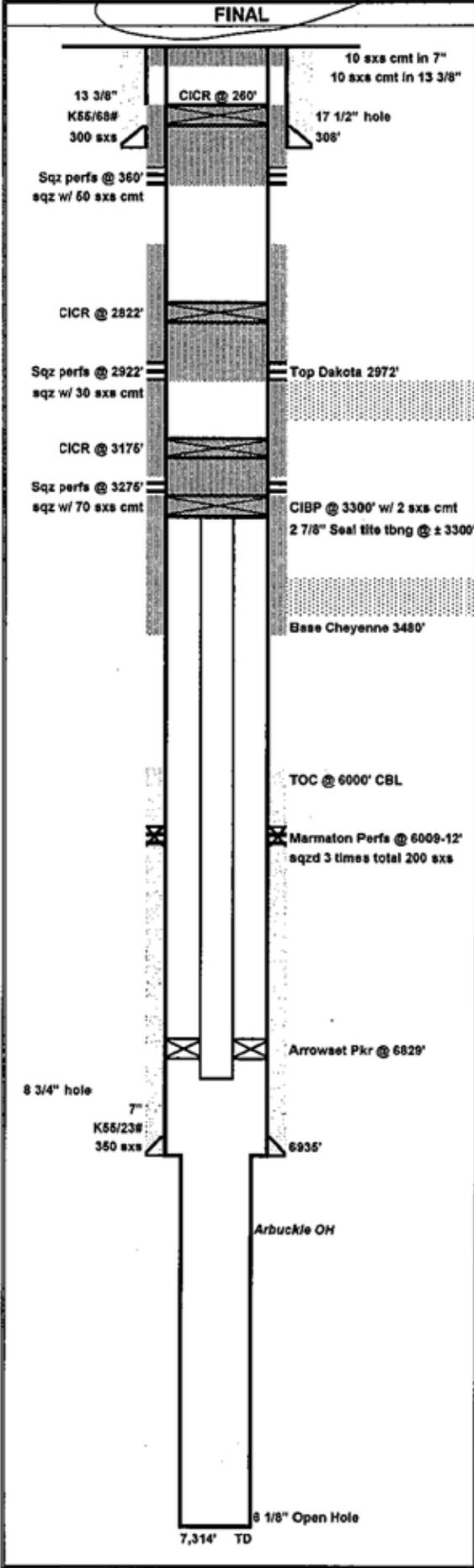
CONDITIONS OF APPROVAL, IF ANY:

Attachment Check List

Att Doc Num	Name
<u>2285617</u>	<u>wellbore diagram</u>
<u>2285618</u>	<u>wireline Job Summary</u>

Total Attach:
2285619 Cement Job Summary

WELLBORE SCHEMATIC
FINAL



Lease:	API No. 05-073-06113	Well No. Koch #2	Status PA
Location:	SENW Sec. 7 T12S-R52W		
County:	Lincoln	State:	CO
Field:	Clifford		
TD:	7314'	GL:	4947'
Spud Date:	5/11/1983		
PBTD:	7309'	KB:	4956'
Comp Date:	2/24/1984		
Current Perfs/OH:	OH 6935-7309'	Current Zone:	Arbuckle

Surface Equipment

Unit Make:	Unit Size:	
Unit S/N:	Unit Rotation:	
SPM:	Stroke Length:	Unit Sheave:
Prime Mover:	Motor Sheave:	
Motor S/N:	Motor RPM:	

Casing Breakdown

	Size	Grade / Wt	Depth	Hole Size	Cement
Surface	13 3/8"	K55/68#	308'	17 1/2"	300 sxs
Production	7"	K55/23#	5315'	8 3/4"	350 sxs
Production	7"	N80/26#	5315-6935'	8 3/4"	350 sxs
Liner					

Tubing Breakdown

Qty	Description	Footage
1	2 7/8" x 10' tbng sub	10.00'
TOTAL		10.00'

Rod Breakdown

Qty	Description	Footage
TOTAL		0.00'

Comments:



PEAK WIRELINE SERVICES, INC.

4971 Form 6
2285616

P.O. Box 864
Cheyenne Wells, CO 80810
Phone 719-767-8707
Fax 719-767-5522

Wireline 1/2
Job Summary

REMIT TO:

DATE 10-11-2011
OCT 31 2011

Invoice

CHARGE TO: CRATION Oil Gas Inc

ADDRESS _____

LEASE AND WELL NO. KCCN 22-7 FIELD _____

NEAREST TOWN _____ COUNTY LINCOLN STATE CO

CUSTOMER'S ORDER NO. GEORGE WOLFE SEC. 7 TWP. 12S RANGE 52W

ZERO GROUND LEVEL CASING SIZE 7" WEIGHT 25

CUSTOMER'S T.D. _____ PEAK WL SERVICES T.D. _____ FLUID LEVEL 1020

ENGINEER WANDERLAW OPERATOR LAWRENCE

PERFORATING					
CODE REFERENCE	DESCRIPTION	NO HOLES	DEPTH FROM	TO	AMOUNT
113000	3 1/2 HSA	4	3275	3276	850
		4	2922	2923	450
		4	360	361	450
		4	2800	2801	450

TRUCK RENTAL					
CODE REFERENCE	RUN NO.	PREVIOUS INVOICE NO.	AMOUNT		
102995	ONE		800		
DEPTH OF OPERATIONS CHARGES					
CODE REFERENCE	FROM	TO	NO. FEET	PRICE PER FT.	AMOUNT
142005	10	375	375	MIN	850
	SETTING CHARGE				
142005	10	2822	2822	MIN	850
	SETTING CHARGE				
142005	01	260	260	MIN	850

PLUGS, PACKERS, AND OTHER					
CODE REFERENCE	MFG. TYPE	CASING SIZE	WEIGHT	DEPTH	AMOUNT
143010	WATERMANN	7"	25"	3175	2300
143010	WATERMANN	7"	25"	2872	2300
145010	WATERMANN	7"	25"	260	2300

SUB TOTAL	10775
TAX	31277
PLEASE PAY FROM THIS INVOICE TOTAL	1119777

MATERIAL INVENTORY				
CODE REFERENCE	DESCRIPTION	QUANTITY	UNIT	AMOUNT

RECEIVED THE ABOVE SERVICE ACCORDING TO THE TERMS AND CONDITIONS SPECIFIED BELOW WHICH WE HAVE READ AND TO WHICH WE HEREBY AGREE.

Customer George Wolfe

General Terms and Conditions

- All accounts are to be paid within the terms fixed by Peak Wireline Services invoices; and should these terms not be observed, interest at the rate of 1.5% per month will be charged from the date of such invoice.
- Because of the uncertain conditions existing in a well which are beyond the control of Peak Wireline Services, it is understood by the customer that Peak Wireline Services cannot guarantee the results of their service and will not be held responsible for personal or property damage in the performance of their services.
- Should any of Peak Wireline Services instruments be lost or damaged in the performance of the operation requested, the customer agrees to make every reasonable effort to recover same, and to reimburse Peak Wireline Services for the value of the items which cannot be recovered, or the cost of repairing damage to items recovered.
- It is further understood and agreed that all depth measurements shall be supervised by the customer or its employees and customer hereby certifies that the zones, as shot were approved.
- The customer certifies that it has the full right and authority to order such work on such well and that the well in which the work is to be done by Peak Wireline Services is in proper and suitable conditions for the performance of said work.
- No employee is authorized to alter the terms or conditions of this agreement.



Appendix 2

Project Name: Citation: WY002566 Lincoln County Pad Remediation		Site Location: Lincoln County, Colorado	Date: March 11 and June 18, 2015 Photographed By: Ethan Jahnke
Photo No. 1	Koch 22-7- 2		
Direction Photo Taken: North			
Description: Looking north at reclaimed Koch 22-7 2 pad			

Photo No. 2	Koch 22-7- 2		
Direction Photo Taken: West			
Description: Looking west at reclaimed Koch 22-7 2 pad			

Photo No. 3	Koch 22-7- 2	
Direction Photo Taken: South		
Description: Looking south at reclaimed Koch 22-7 2 pad		

Photo No. 4	Koch 22-7- 2	
Direction Photo Taken: East		
Description: Looking east at reclaimed Koch 22-7 2 pad		



Photo No. 7	Koch 22-7- 2	
Direction Photo Taken: East		
Description: Looking east at Koch 22-7 2 access road that landowner is requesting a variance from reclamation		

Photo No. 8	Koch 22-7- 2	
Direction Photo Taken: East		
Description: Looking east at Koch 22-7 2 access road that landowner is requesting a variance from reclamation. At the end of this road is where the reclamation will begin.		



Appendix 3

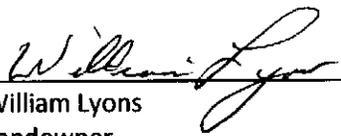
June 23, 2015

William Lyons
36600 County Road 35
Hugo, CO 80821

Citation Oil and Gas Corporation
15562 HWY 385
Cheyenne Wells, CO 80825

RE: Landowner Waiver of Reclamation Regarding Portion of Access Road to Koch 22-7 2 Well Pad

- A. Location of Waiver: Koch 22-7 2, SENW, T12S R52W, Clifford Field, Lincoln County, CO, API 05-073-06113. The landowner requests Citation and the COGCC to allow a portion of the access road to the former Koch 22-7 2 well pad (218128) not be reclaimed. Specifically, the section from County Road 63 heading east until it turns north toward the well pad (approximately 0.35 miles east of County Road 63).
- B. Reason for Waiver: The landowner requests that section of the road remain as it adjacent to a fence line and the road replaced a two-track road. The landowner would also like to potentially use the site as a water station for his cattle.
- C. Liability: The landowner accepts future responsibility for reclamation and topsoil protection.
- D. Understanding: The landowner understands that once a waiver is signed he will waive all reclamation protections.
- E. Reclamation Plan for Adjacent Area: The area not subject to the requested variance has been reclaimed using a combination of ripping, manure and drill-seeding (see attached pictures). Weeds will be kept under control using common standard practices.



William Lyons
Landowner

9-10-15
Date