

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:

401191242

Date Received:

01/25/2017

APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☒

Sidetrack ☐

Well Name: BR C-240

Well Number: 43A-24-2-98

Name of Operator: URSA OPERATING COMPANY LLC

COGCC Operator Number: 10447

Address: 1050 17TH STREET #1700

City: DENVER State: CO Zip: 80265

Contact Name: JENNIFER LIND

Phone: (720)508-8362

Fax: ()

Email: JLIND@URSARESOURCES.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20120125

WELL LOCATION INFORMATION

QtrQtr: SWSE Sec: 24 Twp: 2S Rng: 98W Meridian: 6

Latitude: 39.856281

Longitude: -108.338864

Footage at Surface: 644 Feet FNL/FSL FSL 1319 Feet FEL/FWL FEL

Field Name: SULPHUR CREEK

Field Number: 80090

Ground Elevation: 6302

County: RIO BLANCO

GPS Data:

Date of Measurement: 12/21/2016 PDOP Reading: 1.2 Instrument Operator's Name: HOFFMANN

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
2540 FSL 808 FEL 2540 FSL 808 FEL
Sec: 24 Twp: 2S Rng: 98W Sec: 24 Twp: 2S Rng: 98W

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: 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.)

FEDERAL LEASE COC03453 COVERING PORTIONS OF T2S-R98W, SECTION 12, 13, 23, 24 AND T2S-R97W, SECTION 18.

Total Acres in Described Lease: 2371 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC03453

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 808 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 3150 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 715 Feet

Above Ground Utility: 499 Feet

Railroad: 5280 Feet

Property Line: 644 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 proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 281 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.)
WILLIAMS FORK-ILES	WFILS	527-19		

DRILLING PROGRAM

Proposed Total Measured Depth: 11231 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 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: OFFSITE Drilling Fluids Disposal Methods: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Beneficial reuse

Other Disposal Description:

PLEASE SEE WASTE MANAGEMENT PLAN ATTACHED TO ASSOCIATED FORM 2A

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	24	16	55	0	60	111	60	0
SURF	12+1/4	9+5/8	36	0	3701	592	3701	0
1ST	8+3/4	4+1/2	11.6	0	11231	1166	11231	

☐ 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

Distance to nearest well completed in the same formation / permitted or existing well penetrating objective formation was measured to the proposed BR C-24O 43A-24-2-98. Distance to the nearest well Completed in the same formation / permitted or existing well belonging to another operator was measured at 1875' to the Riata Energy - Sulphur Creek Federal 2 (API 05-103-05152).

This well is being proposed from an existing pad on Ursa-owned surface. The proposed well will BHL on federal minerals. Pre-application notifications were not required as all Surface owners within 1000' are Ursa or Federal and there are no building units located within 1000' of the pad location. Ursa will be pursuing Federal APDs for the proposed C-24O wells concurrently with this application.

This application is in a Comprehensive Drilling Plan _____ No _____ CDP #: _____

Location ID: 335678

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: JENNIFER LIND

Title: REGULATORY ANALYST Date: 1/25/2017 Email: JLIND@URSARESOURCES.C

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: 3/31/2017

Expiration Date: 03/30/2019

API NUMBER

05 103 12279 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

	Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017).
	If conductors are preset, operator shall comply with Notice to Operators: Procedures for Preset Conductors (dated September 1, 2016, revised October 6, 2016).
	1)Operator shall comply with the most current revision of the Northwest Colorado Notification Policy. 2)Operator shall provide cement coverage from the production casing shoe (4+1/2" FIRST STRING) to 200' above the Wasatch G. Isolation is required for offset Wasatch G Sand production. Verify production casing cement coverage with a cement bond log.

Best Management Practices

No BMP/COA Type

Description

1	Drilling/Completion Operations	The existing Boies C-24O-O2 (API 05-103-10904) was logged with open-hole Resistivity Log and Gamma Ray Log from TD into the surface casing. All new wells on the pad will have a cement bond log with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The Form 5, Completion Report, for each well on the pad will list all logs run and have those logs attached. The Form 5 for a well without open-hole logs shall clearly state "No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run.
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Total: 1 comment(s)

Applicable Policies and Notices to Operators

Policy
NW Colorado Notification Policy. http://cogcc.state.co.us/documents/reg/Policies/nw_notification_procedures.pdf
Notice Concerning Operating Requirements for Wildlife Protection. http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2168249	LEGAL/LEASE DESCRIPTION
401191242	FORM 2 SUBMITTED
401192424	LEASE MAP
401192425	WELL LOCATION PLAT
401192426	DEVIATED DRILLING PLAN
401192427	DIRECTIONAL DATA

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected the spacing order 527-12 with the new order 527-19 approved at the March 2017 hearing. Removed operator description of 527-12 order. Changed the logging BMP as per operator. Final review complete.	03/29/2017
Permit	Attached updated Mineral Lease as per operator. Corrected typo in acres in lease from 2317 to 2371. Removed distance to the unit boundary. The spacing order did not create a unit. Operator notified.	03/15/2017
Engineer	Offset water well check: COGCC evaluated offset water wells within one mile of this proposed well's surface hole location. This information was used in addition to locally-available geophysical logs and hydrogeologic information to evaluate the adequacy of the operator's proposed surface casing setting depth. The deepest water well within one mile is 250 feet. Per operator, the surface casing shoe depth is designed to completely cover the Green River formation and loss circulation zones in the upper Wasatch. Offset Well Evaluation: Existing offset oil and gas wells within 1,500 feet of this wellbore meet standards. No mitigation required. Removed statement that First String/Production cement will be > 500 feet above TOG. See Condition of Approval #2 for cement coverage requirements. Changed distance to nearest well completed in the same formation to 328 feet.	02/09/2017
Permit	Passed completeness	02/02/2017

Total: 4 comment(s)