

APPLICATION FOR PERMIT TO:

Drill

 Deepen

 Re-enter

 Recomplete and Operate

TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____	Refilling <input checked="" type="checkbox"/>
ZONE TYPE SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONES <input checked="" type="checkbox"/> COMMINGLE ZONES <input checked="" type="checkbox"/>	Sidetrack <input type="checkbox"/>

Date Received:
08/30/2013

Well Name: <u>Frei</u>	Well Number: <u>A12</u>
Name of Operator: <u>URSA OPERATING COMPANY LLC</u>	COGCC Operator Number: <u>10447</u>
Address: <u>1050 17TH STREET #2400</u>	
City: <u>DENVER</u>	State: <u>CO</u> Zip: <u>80265</u>
Contact Name: <u>Shauna Redican</u>	Phone: <u>(720)508-8350</u> Fax: <u>()</u>
Email: <u>sredican@ursaresources.com</u>	

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20120125

WELL LOCATION INFORMATION

QtrQtr: SWSW Sec: 7 Twp: 6S Rng: 91W Meridian: 6

Latitude: 39.536159 Longitude: -107.603286

Footage at Surface: FNL/FSL FEL/FWL

606 feet FSL 913 feet FWL

Field Name: KOKOPELLI Field Number: 47525

Ground Elevation: 5596 County: GARFIELD

GPS Data:

Date of Measurement: 07/18/2013 PDOP Reading: 2.4 Instrument Operator's Name: SCOTT E. AIBNER

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
<u>2570</u>	<u>FSL</u>	<u>1855</u>	<u>2570</u>	<u>FSL</u>	<u>1855</u>
	<u>FWL</u>			<u>FWL</u>	
Sec: <u>7</u>	Twp: <u>6S</u>	Rng: <u>91W</u>	Sec: <u>7</u>	Twp: <u>6S</u>	Rng: <u>91W</u>

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: Fee State Federal Indian

The Surface Owner is:

(check all that apply)

is the mineral owner beneath the location.

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: Surface Use Agreement

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.)

PLEASE SEE ATTACHED MINERAL LEASE MAP

Total Acres in Described Lease: 50 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # _____

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 160 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 599 Feet

Building Unit: 753 Feet

High Occupancy Building Unit: 5244 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 505 Feet

Above Ground Utility: 462 Feet

Railroad: 5280 Feet

Property Line: 395 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: 280 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 754 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): N/A Unit Number: _____

SPACING & FORMATIONS COMMENTS

(Order 513-6 includes three units) Section 7 - Part of W $\frac{1}{2}$, described as NE $\frac{1}{4}$ SW $\frac{1}{4}$ and Lots 2 through 6 and 9 and 10 (approximately 277.77 acres)

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	513-6	277	NESW, L2-L6

DRILLING PROGRAM

Proposed Total Measured Depth: 7210 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 280 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: OFFSITE Drilling Fluids Disposal Methods: Recycle/reuse

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Beneficial reuse

Other Disposal Description:

If cuttings meet Table 910 they will be beneficially reused

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	8+5/8	24/32#	0	1037	275	1037	0
1ST	7+7/8	4+1/2	11.6#	0	7210	666	7210	

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 Form 2 Re-file has been revised from the originally approved Form 2 APD. The SHL, casing and cement program and TD have been updated. The mineral lease information has been revised. This pad has been built and a Form 2A Amendment for pad expansion was submitted 9/5/2013 (DOC# 400475622). First String/ Production will be > 500 Feet above TOG. Please see attached plat for reference to cultural setbacks. Distance to nearest well was measured to Frei A16 (North of well BHL). Note: The subject well may drill through Federal minerals, however the portion of the wellbore that crosses through the Federal lease will not be completed. Mitigation Measures were addressed with building unit owners at an on-site on 8/21/2013. There were no objections.

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

Location ID: 417777

Is this application being submitted with an Oil and Gas Location Assessment application? No

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

Signed: _____ Print Name: Shauna Redican

Title: Permit Representative Date: 8/30/2013 Email: sredican@ursaresources.com

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: _____

Expiration Date: _____

API NUMBER

05 045 19949 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**

COA Type	Description

Best Management Practices

No BMP/COA Type **Description**

No BMP/COA Type	Description

Date retrieval failed for the subreport 'ImpPolicy_MTC' located at: \\Westpub\Net\Reports\policy_etc.rdl. Please check the

Attachment Check List

Att Doc Num **Name**

400473556	MINERAL LEASE MAP
400473557	PLAT
400473558	DEVIATED DRILLING PLAN
400473559	DIRECTIONAL DATA

Total Attach: 4 Files

General Comments

User Group **Comment** **Comment Date**

Permit	Returned to draft: 1) Need mitigation comment. 2) Need surface owner notification date.	9/4/2013 1:21:07 PM
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Total: 1 comment(s)