



## 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 note: this well bottom-holes in the 104 acre McPherson lease. The attached mineral lease map describes the lease beneath the surface / pad location of the subject well. The 2356 acre lease shown on the lease map is part of the Spacing Order 191-69 which makes up the N/2 of Section 13 (320 acre unit).

Total Acres in Described Lease: 2356 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: 35 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 673 Feet

Building Unit: 673 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 872 Feet

Above Ground Utility: 860 Feet

Railroad: 5280 Feet

Property Line: 392 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: 10/11/2013

## SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 249 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 1100 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

## SPACING & FORMATIONS COMMENTS

The WFCM is the target formation for this well.

## 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	191-69	320	N2

## DRILLING PROGRAM

Proposed Total Measured Depth: 7718 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 249 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H<sub>2</sub>S 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	32#	0	1000	267	1000	0
1ST	7+7/8	4+1/2	11.6#	0	7718	656	7718	

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 First String / Production will be > 500 feet about TOG. Please see attached plat for reference to cultural setbacks. Distance to nearest well completed in the same formation / permitted or existing well penetrating objective formation was measured to the proposed Valley Farms J15. The distance to lease line was measured from the BHL to the west of the McPherson et al 104 acre lease. There will not be additional surface disturbance at the pad location. Per COGCC request, Ursa has notified landowners of their plans to submit Form 2 APDs as a best management practice to ensure positive landowner relations. Please see attached Courtesy Well Permit Notification for reference to Rule 305.a.(2) Buffer Zone Notification.

This application is in a Comprehensive Drilling Plan \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: 416703

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: 10/4/2013 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

**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.**

<b><u>COA Type</u></b>	<b><u>Description</u></b>
Drilling/Completion Operations	<p>(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.</p> <p>(2) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE GARFIELD COUNTY RULISON-FIELD NOTICE TO OPERATORS IS REQUIRED.</p> <p>(3) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE MAMM CREEK FIELD NOTICE TO OPERATORS IS REQUIRED.</p> <p>(4) COMPLIANCE WITH THE NOTICE TO OPERATORS DRILLING WELLS IN THE BUZZARD, MAMM CREEK, AND RULISON FIELDS, GARFIELD COUNTY AND MESA COUNTY IS REQUIRED. (PROCEDURES AND SUBMITTAL REQUIREMENTS FOR COMPLIANCE WITH COGCC ORDERS NOS. 1-107, 139-56, 191-22, AND 369-2 (JULY 8, 2010)). SEE ATTACHED NOTICE.</p> <p>(5) CEMENT ON PRODUCTION CASING MUST BE A MINIMUM OF 200' ABOVE THE TOP OF THE MESA-VERDE FORMATION (OR 200' ABOVE THE OHIO CREEK FORMATION IF PRESENT). CEMENT TOP VERIFICATION BY CBL IS REQUIRED.</p>

**Best Management Practices**

<b><u>No BMP/COA Type</u></b>	<b><u>Description</u></b>

## Applicable Policies and Notices to Operators

Mamm Creek Field Area Notice to Operators.

Piceance Rulison Field - Notice to Operators.

NW Colorado Notification Policy.

Bradenhead Pressure Reporting-Garfield County (Mamm Creek & Rulison Fields) Mesa County (Buzzard Field).

Notice Concerning Operating Requirements for Wildlife Protection.

## Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400484948	DEVIATED DRILLING PLAN
400484949	WELL LOCATION PLAT
400490620	DIRECTIONAL DATA
400498415	OTHER
400499588	MINERAL LEASE MAP

Total Attach: 5 Files

## General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	This form has been placed ON HOLD until the drilling permits for wells on this pad will not be issued until all the violations identified in the most recent field inspection of the location have been resolved.	10/23/2013 12:59:49 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 255 FEET DEEP.	10/23/2013 12:11:17 PM
Permit	Operator made all corrections. This form has passed completeness.	10/22/2013 12:02:04 PM
Permit	Returned to draft. Surface owner is mineral owner, is committed to an oil and gas lease and has signed an oil and gas lease boxes should all be checked. Minerals beneath this oil and gas location will be developed should be 'yes.' Right to construct is oil and gas lease. Valley Farms lease should be attached and acreage should be 2356. Operator needs date of notification to Building Unit owners, not notification date to COGCC. Operator added comment that there would be no additional surface disturbance.	10/21/2013 10:15:05 AM
Permit	Returned to draft. Mineral lease map does not match acres in lease (104). Surface owner should be mineral owner if committed to a lease. Right to construct cannot be oil and gas lease if minerals beneath the surface are not being developed. Requested a comment that there will be no additional surface disturbance. Requested a comment that Notification to Building Unit Owner(s) in the Buffer Zone must be made after completeness is approved.	10/15/2013 1:26:17 PM

Total: 5 comment(s)