

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.)

E/2 SECTION 3-17S-45W, 6TH P.M.

Total Acres in Described Lease: 320 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: 718 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 718 Feet

Above Ground Utility: 700 Feet

Railroad: 5280 Feet

Property Line: 718 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: 2067 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): _____ 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|

| | | | | |
|---------|-------|--|--|--|
| LANSING | LNSNG | | | |
|---------|-------|--|--|--|

DRILLING PROGRAM

Proposed Total Measured Depth: 4375 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 2067 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: UIC Disposal

Cuttings Disposal: Cuttings Disposal Method:

Other Disposal Description:

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 |
|-------------|--------------|----------------|------------|---------------|---------------|-----------|---------|---------|
| SURF | 12+1/4 | 8+5/8 | 24 | 0 | 451 | 300 | 451 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 10.5 | 0 | 4595 | 150 | 4595 | 3950 |
| | 7+7/8 | 4+1/2 | Stage Tool | 0 | 2706 | 450 | 2706 | 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 application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 324875Is 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: TANNIS TRITTTitle: EXECUTIVE ASSISTANT Date: 2/11/2014 Email: TTRITT@MULLDRILLING.CO

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

05 061 06730 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**

| <u>COA Type</u> | <u>Description</u> |
|-----------------|--------------------|
| | |

Best Management Practices**No BMP/COA Type****Description**

| <u>No BMP/COA Type</u> | <u>Description</u> |
|------------------------|---|
| 1 Planning | <ul style="list-style-type: none"> • Conduct Initial Site Assessment <ul style="list-style-type: none"> o Identification of nearby water bodies o Identification of vegetation types o Identification of protected wildlife species o Identification of potential access routes to minimize disturbances o Identification of nearby improvements |
| 2 Pre-Construction | <ul style="list-style-type: none"> • Preparation of a Storm Water Pollution Prevention Plan. Acquisition of a Storm Water Discharge Permit • Consultation with the surface landowner or appointed agent • Finalize access routes • Finalize well pad location to minimize surface grade impacts • Finalize well pad layout to minimize disturbances • Develop wildlife management plan if protected species are present |
| 3 General Housekeeping | <ul style="list-style-type: none"> • Drilling and production operations conducted in safe, workmanlike manner. Safety expectations include good housekeeping. • During drilling/completion operations, debris stored in caged container which is removed from the site. • During production operations, the lease is inspected daily by MDC personnel. |
| 4 Wildlife | <ul style="list-style-type: none"> • Development and implementation of a Wildlife Management Plan if protected species are present |

| | | |
|----|--|---|
| 5 | Storm Water/Erosion Control | <ul style="list-style-type: none"> • During drilling / completion operations, implementation of Storm Water Pollution Prevention Plan • Following drilling/completion operations, prompt reclamation of disturbed areas • During production operations, implementation of MDC's Post Construction Storm Water Management Program |
| 6 | Material Handling and Spill Prevention | <ul style="list-style-type: none"> • During drilling/completion operations, storage areas graded towards pit • During production operations, implementation of Spill Prevention, Control and Countermeasure Plan & daily inspection • All stock and produced water tanks have secondary containment |
| 7 | Construction | <ul style="list-style-type: none"> • Access road, well pad and pit disturbances minimized • Soils segregated by type to facilitate reclamation • Storm water controls deployed and routinely inspected |
| 8 | Drilling/Completion Operations | <ul style="list-style-type: none"> • Implement Storm Water Pollution Prevention Plan, including routine inspections and evaluation of effectiveness • Locate tank batteries at safe distance from public roadways and railhead • Full containment for stock tanks and separators • Installation of pipelines in common trenches when practical • Installation of pipelines at right angles to water bodies (drainages, wetlands, perennial water bodies) where practical. <p>SITE SPECIFIC:</p> <p>1. Reporting of the presence of H2S will be done via verbal and email notices. Verbal notice with a follow up email will be provided as soon as practicable upon detection of H2S to COGCC's area engineer and the local government designee.</p> <p>2. Per ephemeral stream south east of staked location – structural practices will be implemented at the site to minimize erosion and sediment transport. Practices may include but are not limited to: straw bales, wattles/sediment control logs, silt fences, earth dikes, drainage swales, sediment traps, subsurface drains, pipe slope drains, inlet protection, outlet protection, gabions, and temporary sediment basins.</p> |
| 9 | Interim Reclamation | <ul style="list-style-type: none"> • Debris and waste material removed • Areas not in use reclaimed promptly; pits closed using segregated material; well pad and other compacted surfaces ripped • Noxious weeds controlled |
| 10 | Final Reclamation | <ul style="list-style-type: none"> • All equipment and debris removed • All remaining disturbed areas, including access roads, reclaimed • Noxious Weed Control Plan developed if appropriate |

Total: 10 comment(s)

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|----------------------|
| 400551999 | FORM 2 SUBMITTED |
| 400553874 | WELLBORE DIAGRAM |
| 400553876 | WELL LOCATION PLAT |
| 400553878 | 30 DAY NOTICE LETTER |

Total Attach: 4 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|---|--------------------------|
| Permit | Returned to draft: The Spacing and Unit Information is incomplete. | 2/12/2014 11:19:43 AM |

Total: 1 comment(s)