

FORM

2

Rev
08/13

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:

400522902

APPLICATION FOR PERMIT TO:

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

Date Received:

12/09/2013

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____Refiling ☒ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☐

Well Name: FRYE FARMS

Well Number: 6

Name of Operator: TEKTON WINDSOR LLC

COGCC Operator Number: 10392

Address: 200 PLAZA DR., STE 100

City: HIGHLANDS
RANCH

State: CO

Zip: 80129

Contact Name: CLAYTON DOKE

Phone: (720)420-5700

Fax: (720)420-5800

Email: cdoke@iptengineers.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20110188

WELL LOCATION INFORMATION

QtrQtr: SESE Sec: 32 Twp: 6N Rng: 67W Meridian: 6

Latitude: 40.439330

Longitude: -104.910580

Footage at Surface: 1210 feet FNL/FSL FSL 1144 feet FEL/FWL FEL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 4881

County: WELD

GPS Data:

Date of Measurement: 11/14/2012 PDOP Reading: 1.7 Instrument Operator's Name: BRIAN ROTTINGHAUS

If well is ☐ Directional ☒ Horizontal (highly deviated) submit deviated drilling plan.
 Footage at Top of Prod Zone: FNL/FSL FSL 460 FWL 1155 FSL 460 FEL
 Sec: 33 Twp: 6N Rng: 67W Sec: 33 Twp: 6N Rng: 67W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ IndianThe 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: 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.)

TOWNSHIP 6 NORTH, RANGE 67 WEST, SECTION 33; ALL

Total Acres in Described Lease: 640 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: 460 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1236 Feet

Building Unit: 1296 Feet

High Occupancy Building Unit: 2660 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 392 Feet

Above Ground Utility: 1498 Feet

Railroad: 5043 Feet

Property Line: 357 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: 295 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Township 6 North, Range 67 West, Section 33; S/2

OBJECTIVE FORMATIONS

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| NIOBRARA | NBRR | | 320 | GWA |

DRILLING PROGRAM

Proposed Total Measured Depth: 11520 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 165 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 318A

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Land application

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Beneficial reuse

Other Disposal Description:

Beneficial reuse or land application plan submitted? Yes

Reuse Facility ID: _____ or Document Number: 2167132

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 | 9+5/8 | 36 | 0 | 850 | 444 | 850 | 0 |
| 1ST | 8+3/4 | 7 | 23 | 0 | 7356 | 694 | 7356 | 3000 |
| 1ST LINER | 6+1/8 | 4+1/2 | 11.6 | 6577 | 11520 | | | |

☒ 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 | <p>Per the COGCC Form 2 Application for Permit to Drill (APD) Re-filing Guidance document dated March 20, 2007:</p> <p>1) There are no changes to the surrounding land use</p> <p>2) Changes to the well construction plan were submitted via Sundry (Doc #2131894) and approved on 02-15-13.</p> <p>3) Changes to the mineral lease description were noted in the sundry.</p> <p>4) The proposed well site has been built, there are three (3) wells drilled, completed, & producing. Currently there are three (3) wells being drilled.</p> <p>The access road has been built and there is a rig actively drilling on the site, therefore the APD is not required to include the Confirmation of a New Rule 305 Thirty (30) day Surface Owner Notice.</p> <p>SUA is attached and remains in force.</p> |
|----------|--|

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

Location ID: 427354

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: CLAYTON DOKE

Title: SENIOR ENGINEER Date: 12/9/2013 Email: cdoke@iptengineers.com

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: 2/23/2014

Expiration Date: 02/22/2016

API NUMBER

05 123 34946 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.

| <u>COA Type</u> | <u>Description</u> |
|-----------------|--|
| | <p>1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.</p> <p>2) Comply with Rule 317.i and provide cement coverage from end of 7" casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.</p> <p>3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.</p> |
| | <p>Rule 317.o Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire well bore and to adequately verify the setting depth of surface casing and aquifer coverage. On a multi-well pad, these open hole logs are only required on one of the first wells drilled on the pad and the Form 5 for every well on the pad shall identify which well was logged.</p> |

Best Management Practices

| <u>No</u> | <u>BMP/COA Type</u> | <u>Description</u> |
|-----------|--------------------------------|--|
| 1 | Drilling/Completion Operations | Anti-Collision BMP: Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed wells. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to COGCC with the Form 5. |
| 2 | Drilling/Completion Operations | Bradenhead Monitoring BMP: Operator will comply with COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012. |

Total: 2 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|----------------------------|
| 400522902 | FORM 2 SUBMITTED |
| 400522978 | OffsetWellEvaluations Data |
| 400523813 | SURFACE AGRMT/SURETY |

Total Attach: 3 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|---|---------------------------|
| Permit | Final review complete. | 2/19/2014 8:04:09 AM |
| Permit | Met with opr to review location, duplicate directionals, etc. Form for overlapping well (#10-1-4-33) has been withdrawn. This APD is a refile from previous expired permit. Corrected Surface and minerals tab as per opr. Form is ready to pass. | 1/24/2014 3:02:01 PM |
| Permit | Requested new Multi-well plan from orp and clarification on the right to construct. Form on hold. | 1/10/2014 11:23:11 AM |
| Permit | Ready to pass pending public comment 12/31/13. | 12/12/2013 1:56:33 PM |
| LGD | <p>A conditional use grant was approved by the Windsor Town Board on April 23, 2012.</p> <p>Approval of the conditional use grant is subject to the following conditions:</p> <p>1.Prior to the commencement of drilling, the applicant must submit the following information for review and approval by the Town:</p> <p>a.The applicant shall submit a comprehensive Initial Drilling and Site Improvement Plan regarding drilling activities and initial installation of related site improvements details pertaining to all of the following:</p> <p>(1)Site access plan.This item shall address permitting and approval of a driveway access on Crossroads Blvd. including permitting, access paving, culvert design, drainage and other improvements to the driveway access point on Crossroads Blvd.</p> | 12/11/2013 10:47:44 AM |

| | | | |
|--|--|--|--|
| | <p>(2)Public street clean-up and tracking prevention. This item shall include a tracking pad to be reviewed and approved by the Town.</p> <p>(3)Site grading.This item shall address proposed site grading, including any earth berms for emergency containment.</p> <p>(4)The following notes and certification blocks shall be included on the Initial Drilling and Site Improvement Plan:</p> <p>i.The applicant shall comply with all rules and regulations of the Colorado Oil and Gas Conservation Commission.</p> <p>ii.The facilities shall be kept clean and otherwise properly maintained at all times.</p> <p>iii.A signed owner's acknowledgement certification block.</p> <p>iv.The access permit for the current access to Crossroads Blvd. shall only be approved for temporary agricultural and oil and gas well activities.This access point is temporary and will be required to be removed at such time that permanent access is available in the future.</p> <p>b.The applicant shall submit a comprehensive Perpetual Maintenance Plan regarding the on-going life of the wells that includes, but is not limited to, details pertaining to all of the following:</p> <p>(1)Site access plan.This item shall address permitting and approval of a driveway access on Crossroads Blvd. including permitting, access paving, culvert design, drainage and other improvements to the driveway access point on Crossroads Blvd.</p> <p>(2)On-going public street cleaning.This item shall include a tracking to be reviewed and approved by the Town.</p> <p>(3)Site lighting.This item shall include details regarding site lighting fixtures and locations.Security and other site lighting shall utilize full cutoff light fixtures to mitigate light pollution.</p> <p>(4)The following notes shall be included on the Perpetual Maintenance Plan:</p> <p>i.The applicant shall maintain compliance with all rules and regulations of the Colorado Oil and Gas Conservation Commission.</p> <p>ii.The facilities shall be kept clean and otherwise properly maintained at all times.</p> <p>iii.A signed owner's acknowledgement certification block.</p> <p>iv.The access permit for the current access to Crossroads Blvd. shall only be approved for temporary agricultural and oil and gas well activities.This access point is temporary and will be required to be removed at such time that permanent access is available in the future.</p> <p>c.The applicant shall obtain any applicable building permits from the Town prior to constructing any improvements on site.</p> <p>d.The applicant shall address and comply with the conditions of Windsor-Severance Fire Rescue.</p> <p>2.The following conditions of approval shall be incorporated into the aforementioned plans for review and approval:</p> <p>a.The applicant shall utilize electric motors in order to mitigate the noise impacts on the adjacent residential neighbors.</p> | | |
|--|--|--|--|

| | | |
|--------|--|--------------------------|
| | b.The applicant shall ensure that the wells and tanks are of the minimum size required to satisfy present and future functional requirements to mitigate visual impacts. | |
| Permit | This form has passed completeness. | 12/10/2013 9:18:40 AM |

Total: 6 comment(s)