

**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 _____ ZONE TYPE       SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONES <input checked="" type="checkbox"/> COMMINGLE ZONES <input checked="" type="checkbox"/>	Refiling <input checked="" type="checkbox"/> Sidetrack <input type="checkbox"/>
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Date Received:  
12/19/2013

Well Name: Piceance Creek Unit      Well Number: T78X-12G5  
 Name of Operator: XTO ENERGY INC      COGCC Operator Number: 100264  
 Address: 382 CR 3100  
 City: AZTEC      State: NM      Zip: 87410  
 Contact Name: Cherylene Charley      Phone: (505)333-3190      Fax: (505)333-3284  
 Email: cherylene\_charley@xtoenergy.com

**RECLAMATION FINANCIAL ASSURANCE**  
 Plugging and Abandonment Bond Surety ID: \_\_\_\_\_

**WELL LOCATION INFORMATION**  
 QtrQtr: SESE      Sec: 12      Twp: 2S      Rng: 97W      Meridian: 6  
 Latitude: 39.885068      Longitude: -108.222212  
 Footage at Surface:      350 feet      FSL      971 feet      FEL  
FNL/FSL      FEL/FWL  
 Field Name: PICEANCE CREEK      Field Number: 68800  
 Ground Elevation: 7263      County: RIO BLANCO  
 GPS Data:  
 Date of Measurement: 11/06/2009    PDOP Reading: 1.7    Instrument Operator's Name: D. GARDINER  
 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  
    1492    FSL      588      FWL      1492    FSL      588      FWL  
    Sec: 7    Twp: 2S    Rng: 96W      Sec: 7    Twp: 2S    Rng: 96W

**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:    Yes  
 The right to construct the Oil and Gas Location is granted by:    oil and gas lease  
 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.)

\*See previously approved APD dated 4/1/10.

Total Acres in Described Lease: 72 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # COD-052159

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 162 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: 686 Feet

Above Ground Utility: 597 Feet

Railroad: 5280 Feet

Property Line: 5280 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: 733 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): Piceance Creek Unit Number: COC-47666A

**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.)
MESAVERDE	MVRD			
OHIO CREEK	OHCRK			
WASATCH	WSTC			

**DRILLING PROGRAM**

Proposed Total Measured Depth: 14900 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 733 Feet (Including plugged wells)

Will a closed-loop drilling system be used? No

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 H2S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? Yes

Will oil based drilling fluids be used? Yes

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: ONSITE Drilling Fluids Disposal Methods: Commercial Disposal

Cuttings Disposal: ONSITE Cuttings Disposal Method: Cuttings trench

Other Disposal Description:

If drill cuttings/fluids contain >1% diesel net weight, cuttings will be transported via tanker truck to state approved disposal site.

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	26	16	LINE PIPE	0	120	96	120	0
SURF	14+3/4	10+3/4	45.5	0	4200	1360	4200	0
1ST	9+7/8	7	26	0	9650	720	9650	3700
2ND	6+1/8	4+1/2	15.1	0	14100	270	14100	6800

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 is a re-file of a previously approved APD, which expired on 5/24/12. I certify that there have been no changes on land use, lease description and drilling program. The well pad and pits have been constructed. There will be no additional surface disturbance. The location does not require a variance from any of the rules listed in Rule 306.d.(1). (A).(ii). The location is not within a wildlife Restricted Surface Occupancy Area.

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

Location ID: \_\_\_\_\_

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: Cherylene Charley \_\_\_\_\_

Title: Sr. Permitting Tech \_\_\_\_\_ Date: 12/19/2013 \_\_\_\_\_ Email: cherylene\_charley@xtoenergy. \_\_\_\_\_

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: Matthew Lee \_\_\_\_\_ Director of COGCC Date: 3/29/2014 \_\_\_\_\_

Expiration Date: 03/28/2016 \_\_\_\_\_

### API NUMBER

05 103 11729 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
	(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.
	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 Drilling Completion Report - Form 5 for every well on the pad shall identify which well was logged.

## Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	<p>These devices may include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Culvert</li> <li>• Rip Rap</li> <li>• Drainage ditch</li> <li>• Wattles</li> <li>• Erosion control blankets</li> <li>• Temporary seeding</li> </ul> <p>Additional documentation is located in the Stormwater Management Plan for this well pad.</p>

Total: 1 comment(s)

### Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

### Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400530162	FORM 2 SUBMITTED

Total Attach: 1 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed on this refile. No LGD comments.	3/28/2014 1:20:07 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 00 FEET DEEP.	12/31/2013 1:17:43 PM
Permit	Operator requested changes in SHL to reflect previously submitted and approved sundry.	12/30/2013 11:15:22 AM
Permit	The SHL and BHL don't match the sundry that was submitted and approved for changes from the original APD. Requested that operator review and clarify.	12/27/2013 5:52:56 AM
Permit	Passed completeness.	12/19/2013 2:36:37 PM

Total: 5 comment(s)