

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:

400558050

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Date Received:

02/24/2014

Well Name: Peterson Ridge Unit

Well Number: 2-10H

Name of Operator: EE3 LLC

COGCC Operator Number: 10450

Address: 4410 ARAPAHOE AVENUE #100

City: BOULDER State: CO Zip: 80303

Contact Name: Kimberly Rodell

Phone: (303)942-0506

Fax: ()

Email: krodell@upstreampm.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20130007

WELL LOCATION INFORMATION

QtrQtr: NWNE Sec: 10 Twp: 8N Rng: 80W Meridian: 6

Latitude: 40.685153

Longitude: -106.356761

Footage at Surface: 783 feet FNL/FSL FNL 1991 feet FEL/FWL FEL

Field Name: WILDCAT

Field Number: 99999

Ground Elevation: 8122

County: JACKSON

GPS Data:

Date of Measurement: 10/09/2013 PDOP Reading: 1.3 Instrument Operator's Name: Dave Swanson

If well is ☐ Directional ☒ Horizontal (highly deviated) submit deviated drilling plan.

Footage at Top of Prod Zone: FNL/FSL FNL/FWL Bottom Hole: FNL/FSL FNL/FWL
600 FNL 2413 FEL 600 FSL 2100 FWL
Sec: 10 Twp: 8N Rng: 80W Sec: 10 Twp: 8N Rng: 80W

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.)

Surface Hole Lease (Fee): T8N R80W Sec. 10: NWNE; Though Lease (Fee): T8N R80W Sec. 10: E2NE, SENE; Through Federal Mineral Lease (COC65604); T8N R80W Sec. 4: S2N2, S2, Lots 1-4; Sec. 9: All; Sec. 10: NW, SE; Sec. 15: NWNE, N2NW, S2S2; Bottom Hole Lease (Fee): T8N R80W Sec. 10: SW

Total Acres in Described Lease: 2198 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # COC65604

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1436 Feet
Building Unit: 1597 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 4947 Feet
Public Road: 1065 Feet
Above Ground Utility: 979 Feet
Railroad: 5280 Feet
Property Line: 783 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: 1410 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): Peterson Ridge Unit Number: COC75018X

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.)
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NIOBRARA	NBRR			
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DRILLING PROGRAM

Proposed Total Measured Depth: 11829 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 5280 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: Commercial Disposal

Cuttings Disposal: ONSITE Cuttings Disposal Method: Other

Other Disposal Description:

The cuttings will be remediated onsite using Eco-Sponge.

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	9+5/8	36	0	1400	900	1400	0
1ST	8+3/4	5+1/2	17	0	11829	1800	11829	

☒ 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 The total acres described in the lease description include all leases involved along the wellbore path including one federal lease. The surface hole lease is fee and thus the lease marked is fee but the federal mineral lease number was also included.

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: Kimberly Rodell

Title: Permit Agent Date: 2/24/2014 Email: krodell@upstreampm.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: Matthew Lee Director of COGCC Date: 3/30/2014

Expiration Date: 03/29/2016

API NUMBER

05 057 06524 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

	(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED. SEE ATTACHED NOTICE. (2) PRODUCTION CASING (FIRST STRING) CEMENT SHALL EXTEND FROM THE PRODUCTION CASING SHOE TO 200' ABOVE THE SURFACE CASING SHOE TO PROVIDE FULL ISOLATION OF THE COALMONT FORMATION. OPERATOR SHALL INCREASE CEMENT VOLUME ACCORDINGLY TO ACCOMPLISH THIS OBJECTIVE. PRODUCTION CASING (FIRST STRING) CEMENT COVERAGE VERIFICATION BY CBL IS REQUIRED.
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Best Management Practices

No BMP/COA Type

Description

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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>
400558050	FORM 2 SUBMITTED
400558094	DEVIATED DRILLING PLAN
400558095	TOPO MAP
400558096	WELL LOCATION PLAT
400558125	DIRECTIONAL DATA
400560954	ACCESS ROAD MAP

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	3/24/2014 8:56:12 AM
Engineer	Offset well evaluation: no offset wells within 1500' of this wellbore.	3/3/2014 2:58:53 PM
Engineer	PROPOSED SURFACE CASING OF 1400' WILL NOT PROVIDE FULL COVERAGE OF COALMONT FORMATION, BASED ON REPORTED OFFSET LOG TOPS.	3/3/2014 2:52:59 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 100 FEET DEEP.	3/3/2014 2:51:37 PM
Permit	Passed completeness.	2/24/2014 10:48:37 AM

Total: 5 comment(s)