

**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 _____	Refiling <input type="checkbox"/>
ZONE TYPE    SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input type="checkbox"/>

Date Received:  
01/17/2014

Well Name: Valley Farms L      Well Number: 43A-11-06-92

Name of Operator: URSA OPERATING COMPANY LLC      COGCC Operator Number: 10447

Address: 1050 17TH STREET #2400

City: DENVER      State: CO      Zip: 80265

Contact Name: Shauna DeMattee      Phone: (720)508-8350      Fax: ( )

Email: sdemattee@ursaresources.com

**RECLAMATION FINANCIAL ASSURANCE**  
Plugging and Abandonment Bond Surety ID: 20120125

**WELL LOCATION INFORMATION**

QtrQtr: SESE      Sec: 11      Twp: 6S      Rng: 92W      Meridian: 6

Latitude: 39.537766      Longitude: -107.629021

Footage at Surface: <u>1262</u> feet	FNL/FSL	FEL/FWL
<u>FSL</u> <u>1079</u> feet	<u>FSL</u>	<u>FEL</u>

Field Name: WILDCAT      Field Number: 99999

Ground Elevation: 5580      County: GARFIELD

GPS Data:  
Date of Measurement: 09/05/2013    PDOP Reading: 2.1    Instrument Operator's Name: Scott E. Aibner

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

Footage at Top of Prod Zone: <u>2499</u> feet	FNL/FSL	FEL/FWL	Bottom Hole: <u>2499</u> feet	FNL/FSL	FEL/FWL
<u>FSL</u> <u>660</u> feet	<u>FSL</u>	<u>FEL</u>	<u>FSL</u> <u>660</u> feet	<u>FSL</u>	<u>FEL</u>
Sec: <u>11</u> Twp: <u>6S</u> Rng: <u>92W</u>			Sec: <u>11</u> Twp: <u>6S</u> Rng: <u>92W</u>		

**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.)

177 acre lease – Portions of Sec 11, T6S, R92W and portions of the W2 of Sec 12, T6S, R92W. Please see attached mineral lease map.

Total Acres in Described Lease: 177 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: 615 Feet

**CULTURAL DISTANCE INFORMATION**

Distance to nearest:

Building: 701 Feet

Building Unit: 1626 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 330 Feet

Above Ground Utility: 251 Feet

Railroad: 2855 Feet

Property Line: 313 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: 331 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 135 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	191-90	320	S2

**DRILLING PROGRAM**

Proposed Total Measured Depth: 7422 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 331 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     608    

**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	84#	0	60	111	60	0
SURF	12+1/4	8+5/8	32#	0	1003	267	1003	0
1ST	7+7/8	4+1/2	11.6#	0	7422	656	7422	

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 Form 2 APD is being submitted simultaneously with the Valley Farms L Form 2A Location Assessment (DOC# 400538780). First String / Production will be > 500 feet above 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 L 43B-11-06-92.

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: Shauna DeMattee

Title: Permit Representative Date: 1/17/2014 Email: sdeattee@ursaresources.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: 4/12/2014

Expiration Date: 04/11/2016

**API NUMBER**  
05 045 22360 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

	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.
	<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. THIS REQUIREMENT SHALL SUPERSEDE THE TOP OF CEMENT REQUIREMENTS IN THE MAMM CREEK FIELD NOTICE TO</p>

## Best Management Practices

### No BMP/COA Type

### Description

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## 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

### Att Doc Num

### Name

1792948	LEASE MAP
400536853	FORM 2 SUBMITTED
400537514	WELL LOCATION PLAT
400537515	DEVIATED DRILLING PLAN
400537517	DIRECTIONAL DATA
400537971	MINERAL LEASE MAP

Total Attach: 6 Files

## General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed. No LGD comments.	4/9/2014 8:01:24 AM
Permit	Operator supplied corrected distance to the nearest building.	4/9/2014 8:00:53 AM
Permit	Asked operator to review the distance to the nearest building appears to be closer to 700'.	4/1/2014 8:56:37 AM
LGD	pass, gdb	2/6/2014 9:55:49 AM
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 340 FEET DEEP.	1/23/2014 12:16:41 PM
Permit	Passed completeness.	1/20/2014 2:51:34 PM

Total: 6 comment(s)