



## 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.)

Mineral lease acreage - NE/4NW/4, W/2W/2 of section 25- 2N 97 W COC55438. Total net mineral acres is 280.

Total Acres in Described Lease: 280 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC055438

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 670 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 2196 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 1593 Feet

Above Ground Utility: 2193 Feet

Railroad: 5280 Feet

Property Line: 1057 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: 1236 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

SE1/4SE1/4 Section 26, 2North, Range 97West

## OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
WASATCH-MESAVERDE	WSMVD			
WILLIAMS FORK- ILES - MANCOS	WFILM			

## DRILLING PROGRAM

Proposed Total Measured Depth: 7515 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1228 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 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:

Drill cuttings will be land spread on location after testing and approval by the BLM Authorized Officer.

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
CONDUCTOR	16	13+3/8	36	0	250	150	250	0
SURF	12+1/4	8+5/8	24	0	1100	343	1100	0
1ST	7+7/8	5+1/2	17	0	7515	906	7515	1100

☐ 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 LOCATION IS ON FEDERAL SURFACE AND FEDERAL MINERALS. THIS LOCATION IS IN A SENSITIVE WILDLIFE HABITAT FOR MULE DEER. KOCH EXPLORATION WILL NOT DRILL BETWEEN DECEMBER 1ST TO APRIL 15TH, UNLESS APPROVAL IS GRANTED BY THE BLM AUTHORIZED OFFICER. THE CLOSEST WATER WELL TO THIS NEW LOCATION IS APPROXIMATELY 903' NORTHWEST OF PROPOSED LOCATION, PERMIT #32219-MH, RECEIPT #0032219 WHICH IS A MONITORING WELL, DEPTH 60', LOCATION IS NESE, SEC. 26-2N-97W. SEE KOCH EXPLORATION MASTER 10 POINT DRILLING PLAN FOR ALL SPECIFIC DRILLING PROCEDURES.

This application is in a Comprehensive Drilling Plan No 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: Janni Keidel

Title: Ops/Reg Coordinator Date: 11/12/2013 Email: janni.keidel@kochind.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: 4/21/2014

Expiration Date: 04/20/2016

### API NUMBER

05 103 12105 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) CEMENT ON INTERMEDIATE CASING (8+5/8" FIRST STRING) AND PRODUCTION CASING (5+1/2" SECOND STRING) MUST PROVIDE ISOLATION OF ALL MESAVERDE GROUP AND WASATCH OIL, GAS, AND WATER-BEARING SANDSTONE AND COALBED FORMATIONS THAT ARE NOT OTHERWISE COVERED BY SURFACE CASING. VERIFY CEMENT COVERAGE WITH CEMENT BOND LOGS ON BOTH CASING STRINGS.
	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

### No BMP/COA Type

### Description

1	Wildlife	1. Where drilling and completion activities must occur in mule deer critical winter range, conduct these activities outside the time period from December 1 through April 15th, unless an approval is granted by the BLM Authorized Officer. 2. Restrict work-over rig activities to between the hours of 10:00 a.m. and 3:00 p.m. from December 1 to April 15 when possible, to accommodate mule deer critical winter range, unless an approval is granted by the BLM Authorized Officer. 3. Concentrate post-development water truck delivery trips to between the hours of 10:00 a.m. and 3:00 p.m. from December 1 to April 15 when possible, to accommodate mule deer critical winter range. 4. Follow company guidelines to minimize wildlife mortality from vehicle collisions on roads.
2	Storm Water/Erosion Control	A Master Stormwater Management Plan, as required by the CDPHE, is in place for the White River Dome field and includes the subject location. The Plan details BMPs related to storm water management and erosion control that will be implemented during construction and interim reclamation. A Post-Construction Stormwater Plan is in place and will be implemented after interim reclamation is complete.
3	Material Handling and Spill Prevention	Koch Exploration Company operates certain natural gas production wells in Rio Blanco County Colorado that are subject to SPCC planning requirements because they have oil storage capacity greater than 1,320 gallons (approx. 31 bbl). For those wells that meet or exceed the threshold storage quantities (referred to henceforth as the "SPCC wells") KEC is required to develop and implement an SPCC Plan. This field wide SPCC Plan has been developed for the KEC SPCC wells that together are referred to as the Rio Blanco County Well Sites, Colorado in response to the regulations listed above.
4	Drilling/Completion Operations	Koch Exploration Company will comply with the most current revision of the Northwest Colorado Notification Policy.

Total: 4 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>
400432619	FORM 2 SUBMITTED
400486750	WELL LOCATION PLAT
400486752	ACCESS ROAD MAP
400488013	DIRECTIONAL DATA
400488017	DEVIATED DRILLING PLAN
400511743	FED. DRILLING PERMIT

Total Attach: 6 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Engineer	Requested conductor details from operator.	4/18/2014 11:47:52 AM
Permit	Final review completed. NO LGD comments.	4/14/2014 11:05:05 AM
Permit	Received corrected mineral information, and distance to unit and lease lines.	2/21/2014 10:55:20 AM
Permit	Requested review of the mineral situation, information is for the SHL not the BHL, requested review of distance to lease line and unit boundary.	2/20/2014 11:13:35 AM
Engineer	THE PROPOSED SURFACE CASING IS MORE THAN 50 FEET 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 000 FEET DEEP (NO WATER WELLS WITHIN ONE MILE).	11/22/2013 2:19:00 PM
Permit	Passed completeness	11/21/2013 6:36:25 AM
Permit	Returned to draft; fill in the related 2A document number in the related forms tab. please remove all attachments that go with the form 2A and attach them to that form.	11/13/2013 2:48:36 PM

Total: 7 comment(s)