

**APPLICATION FOR PERMIT TO:**

**Drill**       Deepen       Re-enter       Recomplete and Operate

TYPE OF WELL    OIL <input checked="" type="checkbox"/> GAS <input 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:  
04/15/2014

Well Name: Postle IC      Well Number: 11-042HC

Name of Operator: GREAT WESTERN OPERATING COMPANY LLC      COGCC Operator Number: 10110

Address: 1801 BROADWAY #500

City: DENVER      State: CO      Zip: 80202

Contact Name: Callie Fiddes      Phone: (303)398-0550      Fax: ( )

Email: regulatorypermitting@gwogco.com

**RECLAMATION FINANCIAL ASSURANCE**  
Plugging and Abandonment Bond Surety ID: 20090080

**WELL LOCATION INFORMATION**

QtrQtr: SWNW    Sec: 11    Twp: 3N    Rng: 68W    Meridian: 6

Latitude: 40.243969      Longitude: -104.978181

Footage at Surface:      1457 feet      FNL/FSL      FNL      447 feet      FEL/FWL      FWL

Field Name: WATTENBERG      Field Number: 90750

Ground Elevation: 4977      County: WELD

GPS Data:  
Date of Measurement: 12/27/2013    PDOP Reading: 1.9    Instrument Operator's Name: Robert Kay

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
<u>780</u>	<u>FNL</u>	<u>460</u>	<u>781</u>	<u>FNL</u>	<u>470</u>
	<u>FWL</u>			<u>FEL</u>	
Sec: <u>11</u>	Twp: <u>3N</u>	Rng: <u>68W</u>	Sec: <u>11</u>	Twp: <u>3N</u>	Rng: <u>68W</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:    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.)

See attached map

Total Acres in Described Lease: 645 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: 0 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1101 Feet

Building Unit: 1386 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 433 Feet

Above Ground Utility: 391 Feet

Railroad: 421 Feet

Property Line: 447 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: 1239 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

Question 1 comment: there are other wells that are closer but they have a status of PA or AL or are not completed in the same formation. Our own Postle IC 11-159HC is the referenced well 1239' away.

All - Sec. 11-T3N-R68W

## OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CODELL	CODL	407-833	640	All

## DRILLING PROGRAM

Proposed Total Measured Depth: 12131 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1239 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 318A

### DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

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	42	0	40	61	40	0
SURF	13+1/2	9+5/8	36	0	1025	426	1025	0
1ST	8+3/4	7	23	0	7762	709	7762	725
1ST LINER	6+1/8	4+1/2	11.6	6917	12131			

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: HZ off set comment: This well is within the 1500' offset limit. CODWR contour map of the Base of the Fox Hills shows that the Fox Hills formation outcrops at the surface in T3N, R68W. 529' is below the base of the Fox Hills aquifer. An Induction log in the offset well was run up to the surface casing and the Fox Hills is covered by the surface casing. The well has open perforations in the Codell, no perforations in the Niobrara and >100' of cement above the Niobrara. As a result no remedial work will be required prior to fracing.

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

Location ID: 433857

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: Callie Fiddes

Title: Regulatory Tech Date: 4/15/2014 Email: regulatorypermitting@gwogco.c

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: 5/13/2014

Expiration Date: 05/12/2016

### API NUMBER

05 123 39413 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) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 2) Comply with Rule 317.i and provide cement coverage from the bottom of the production casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Run and submit Directional Survey from TD to base of surface casing. The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

## Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	General Housekeeping	General housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup is required to minimize any commingling of waste materials with storm water runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling. There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup will consist of patrolling the roadways, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly and promptly.
2	Drilling/Completion Operations	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 well. 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 well path with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottom hole 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.
3	Drilling/Completion Operations	Great Western will comply with the "COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area", dated May 29, 2012

Total: 3 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>
400505222	FORM 2 SUBMITTED
400561961	SURFACE AGRMT/SURETY
400562895	OffsetWellEvaluations Data
400562903	EXCEPTION LOC WAIVERS
400562988	MINERAL LEASE MAP
400566061	DEVIATED DRILLING PLAN
400568807	DIRECTIONAL DATA
400590831	EXCEPTION LOC WAIVERS
400590833	WELL LOCATION PLAT
400593393	EXCEPTION LOC REQUEST

Total Attach: 10 Files

## General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	5/13/2014 8:55:10 AM
Permit	Per operator removed check Surface Owner is Mineral owner. SUA is correct. ok to pass.	5/13/2014 8:55:06 AM
Permit	ON HOLD: Right to construct is SUA should be O&G lease.	5/5/2014 10:58:48 AM
Permit	Passed completeness.	4/22/2014 9:40:23 AM
Permit	Missing unit configuration, S/B ALL Exception loc waiver for 318A.c is included in the exception loc request letter. Should be with the waivers. Form back to draft.	4/16/2014 10:54:53 AM

Total: 5 comment(s)