

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 lease description. This 10,431 acre lease hold is a single lease.

Total Acres in Described Lease: 10431 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: 1486 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 988 Feet

Building Unit: 2435 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 3465 Feet

Above Ground Utility: 3471 Feet

Railroad: 5280 Feet

Property Line: 213 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: 1081 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary _____ Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

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.)
PIERRE	PRRE			
SHARON SPRINGS	SHSP			

DRILLING PROGRAM

Proposed Total Measured Depth: 4064 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1081 Feet (Including plugged wells)

Will a closed-loop drilling system be used? No

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: ONSITE Drilling Fluids Disposal Methods: Evaporation

Cuttings Disposal: ONSITE Cuttings Disposal Method: Cuttings trench

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	12+1/4	9+5/8	36	0	60	14	60	0
SURF	8+3/4	7	23	0	900	85	900	0
1ST LINER	6+1/4	4+1/2	11.6	0	4064	0		

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 Part of the bit broke off leaving a fish of approximately 6.5" at 710 feet. Several fish runs were made to retrieve it. No success. Due to economic reasons, it is the intent to plug the existing hole and skid the rig 10 feet away from original hole. The hole will have the same objectives as the permitted well. Bottom hole location changed. Footages listed as 5280 feet are greater than one mile.

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: _____

Is this application being submitted with an Oil and Gas Location Assessment application? _____ No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Kaulin Waldner

Title: Agent Date: 5/6/2014 Email: kaulin.waldner@dewpointwest.

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: 5/15/2014

Expiration Date: 05/14/2016

API NUMBER

05 043 06226 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.

<u>COA Type</u>	<u>Description</u>
	Operator shall obtain as-drilled GPS of the rig skid as soon as the surveyor can get onsite and take the reading. Operator shall submit the as-drilled GPS information on a sundry.
	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.
	1) Provide 48 hour notice prior to spud via electronic Form 42. 2) If well is a dry hole, set 50 sks cement across surface casing shoe, 15 sks cement from 50' to 4' inside surface casing, cut off casing 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole. 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Best Management Practices

<u>No BMP/COA Type</u>	<u>Description</u>
1	General Housekeeping
	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 will be required to minimize any commingling of waste materials with stormwater 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.

Total: 1 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2519089	CORRESPONDENCE
400602936	FORM 2 SUBMITTED
400603101	DEVIATED DRILLING PLAN
400603285	DIRECTIONAL DATA
400603312	WELL LOCATION PLAT
400603316	LEGAL/LEASE DESCRIPTION
400603318	DEVIATED DRILLING PLAN

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	GPS coordinates are the same as the #1 well but have different footage measurements. COGCC calculated the GPS from footage location on survey plat.	5/14/2014 6:31:40 AM
Permit	Operator changed the bottom hole location significantly. The BHL will fall within a a different qtr/qtr(SWNE)	5/12/2014 10:41:05 AM
LGD	The Fremont County Department of Transportation has requirements for Driveway Access Permits and Transportation Plans. For more information contact Annette.orgega@fremontco.com, or Anthony Adamic at tony.adamic@fremontco.com, both at 719-257-2047. Additional requirements for Special Mobile Machinery and instructions on obtaining a property address are available from Ronald Zenisky or Robert Sapp (ronald.zenisky@fremontco.com, robert.sapp@fremontco.com), both at 719-276-7630. For requirements regarding weed management, contact Ms. Jana Gregg, Weed Management Director (jana.gregg@fremontco.com or 719-276-7317). Also contact Ms. Seema Garoutte at the Fremont County Assessor's Office (seema.garoutte@fremontco.com or 719-276-2311).	5/7/2014 3:03:04 PM
Permit	This permit is a rig skid permit for a lost hole due to irretrievable fish in the hole.	5/7/2014 11:15:41 AM
Permit	Requested brief description of plugging lost hole, rig skid, and the unplanned replacement well. Needed attachment (email approval to skid rig indicating the name of the engineer who granted verbal approval	5/6/2014 2:12:48 PM

Total: 5 comment(s)