

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 _____ ZONE TYPE SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONES <input checked="" type="checkbox"/> COMMINGLE ZONES <input checked="" type="checkbox"/>	Refiling <input type="checkbox"/> Sidetrack <input type="checkbox"/>
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Date Received:
12/28/2013

Well Name: Summit Point Federal Well Number: 1

Name of Operator: CCI PARADOX UPSTREAM LLC COGCC Operator Number: 10453

Address: 600 17TH STREET #1900S

City: DENVER State: CO Zip: 80202

Contact Name: Chrissy Schaffner Phone: (303)563-5378 Fax: ()

Email: chrissy.schaffner@cci.com

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: NENW Sec: 6 Twp: 43N Rng: 19W Meridian: N

Latitude: 38.023266 Longitude: -109.008889

Footage at Surface: 956 feet FNL/FSL 1319 feet FEL/FWL

Field Name: WILDCAT Field Number: 99999

Ground Elevation: 7414 County: SAN MIGUEL

GPS Data:
Date of Measurement: 12/10/2011 PDOP Reading: 2.8 Instrument Operator's Name: Ronald Renke

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>1904</u>	<u>FSL</u>	<u>1337</u>	<u>1904</u>	<u>FSL</u>	<u>1337</u>
	<u>FSL</u>	<u>FWL</u>		<u>FSL</u>	<u>FWL</u>
Sec: <u>6</u>	Twp: <u>43N</u>	Rng: <u>19W</u>	Sec: <u>6</u>	Twp: <u>43N</u>	Rng: <u>19W</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.)

Sec 6 ALL; Sec 7 ALL; T43N R19W, NMPM

Total Acres in Described Lease: 1261 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # COC-069518

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 1337 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 4054 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 4400 Feet

Above Ground Utility: 5280 Feet

Railroad: 5280 Feet

Property Line: 3004 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: 5280 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.)
LEADVILLE	LDVLL			

DRILLING PROGRAM

Proposed Total Measured Depth: 10637 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 3415 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? Yes (If Yes, attach an H₂S Drilling Operations Plan)

Will salt sections be encountered during drilling? Yes

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? Yes

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: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

Drilling fluids and cuttings will be trucked to Reams Construction Waste Disposal Facility. Trash will be hauled to the Broad Canyon Landfill operated by TS Landfill Corporation.

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	26	16	65	0	80	202	80	0
SURF	12+1/4	9+5/8	40	0	2312	544	2312	0
1ST	8+3/4	5+1/2	17	0	10637	671	10637	5300
	8+3/4	5+1/2	Stage Tool	0	5300	621	5300	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

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: Don Hamilton

Title: Agent for CCI Paradox Date: 12/28/2013 Email: starpoin@etv.net

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: 6/6/2014

Expiration Date: 06/05/2016

API NUMBER 05 113 06272 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>
	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 of spud to COGCC via form 42 2) Set at least 2312' of surface casing per Rule 317 (f) cement to surface 3) Provide cement coverage behind 5 ½" production casing from TD to at least 200 feet above the shallowest hydrocarbon bearing zone. Verify cement coverage with Cement Bond Log. 4) Run and submit Directional Survey from TD to kick-off point 5) The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the well bore complies with setback requirements in Commission orders and/or rules prior to producing the well. 6) Borehole problems encountered while drilling that require an unplanned sidetrack: Contact, discuss & receive prior approval from COGCC Regional Engineer – Mark Weems 970-259-4587 off 970-749-0624 cell mark.weems@state.co.us

Best Management Practices

<u>No BMP/COA Type</u>	<u>Description</u>

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400532510	FORM 2 SUBMITTED
400603009	DEVIATED DRILLING PLAN
400603013	DIRECTIONAL DATA
400603015	WELL LOCATION PLAT
400603023	LEASE MAP
400603029	DRILLING PLAN
400603031	FED. DRILLING PERMIT
400603067	H2S CONTINGENCY PLAN

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	5/2/2014 6:45:34 AM
Engineer	Fresh water zones have been depicted in the lower cretaceous and into the upper triassic or the windgate sandstone (CGS Ground Water Atlas). Of late, the BLM fluids/minerals geologist has expressed an interest and concern for deeper formations or at least 150' into the Chinle formation (<10,000 ppm TDS). As per the operator's DRILLING PLAN as found in the attachments, the Chinle has been estimated by the operator to be in an interval depth of 2162'-2333'. The surface casing setting depth as found in the borehole/casing/cement table has been deepened by the COGCC engineer to from 2050' to 2312' to reflect these concerns and interests. The casing cement tops were not provided by the operator in the APD Borehole/Casing/Cement table, but were determined from the operator's DRILLING PLAN.	5/20/2014 4:24:05 PM
Permit	Passed completeness	5/7/2014 11:11:59 AM
Permit	Return to draft. Plugging bond ID 20100072 is not valid. Water well sampling rule is blank.	5/7/2014 8:43:12 AM
Permit	Returned to draft to correct bond information.	12/30/2013 8:30:10 AM

Total: 5 comment(s)