

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.)

T10N, R58W
SECTION 24: NE, N2N2SE

Total Acres in Described Lease: 240 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: 1800 Feet
 Building Unit: 1800 Feet
 High Occupancy Building Unit: 5280 Feet
 Designated Outside Activity Area: 5280 Feet
 Public Road: 5280 Feet
 Above Ground Utility: 5280 Feet
 Railroad: 5280 Feet
 Property Line: 280 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: 207 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 100 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| NIOBRARA | NBRR | 535-314 | 640 | All S24 |

DRILLING PROGRAM

Proposed Total Measured Depth: 11105 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 207 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? No (If Yes, attach an H₂S Drilling Operations Plan)

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: 436427

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: Michael Brown

Title: Agent Date: 6/27/2014 Email: ml_brown@bresnan.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:  Director of COGCC Date: 8/10/2014

Expiration Date: 08/09/2016

API NUMBER

05 123 40021 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) Provide 48 hour notice prior to spud via electronic Form 42.
- 2) Provide cement coverage 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. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Best Management Practices

| No | BMP/COA Type | Description |
|----|--|--|
| 1 | Storm Water/Erosion Control | Stormwater management plans (SWMP) are in place to address construction, drilling and operations associated with oil and gas development throughout the State of Colorado. BMPs will be constructed as necessary to prevent stormwater from leaving the construction site. BMPs used will vary according to the location, and will remain until the pad is reclaimed. |
| 2 | Material Handling and Spill Prevention | Spill Prevention Control and Countermeasures (SPCC) plans are in place to address any possible spill associated with oil and gas operations throughout the State of Colorado. <ul style="list-style-type: none"> • Materials and fluids will be stored in a neat and orderly fashion. • Waste will be collected regularly and disposed of at an offsite facility. • Prompt cleanup is required of spills to minimize waste materials entering the stormwater runoff. • Drip pans will be used during fueling and maintenance to contain spills or leaks. • Cleanup of trash and discarded material will be done at the end of the work day. • Cleanup will consist of monitoring the road, location and any other work areas. • Material to be cleaned up includes trash, scrap, and contaminated soil. |
| 3 | Drilling/Completion Operations | Open hole resistivity log with gamma ray will be run on one of the first wells on this pad to describe the stratigraphy of the vertical section of the wellbore and to adequately verify the setting depth of the surface casing and aquifer coverage. The Drilling Completion Report - Form 5 for every well on the pad shall identify which well was logged. |
| 4 | Drilling/Completion Operations | Wells Planned within 1500 feet are shown on the multi-well plan map. |

Total: 4 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

| Att Doc Num | Name |
|-------------|-----------------------------|
| 2157764 | OPEN HOLE LOGGING EXCEPTION |
| 400614184 | FORM 2 SUBMITTED |
| 400614360 | OffsetWellEvaluations Data |
| 400614372 | WELL LOCATION PLAT |
| 400614377 | SURFACE AGRMT/SURETY |
| 400634978 | DRILLING PLAN |
| 400638763 | DIRECTIONAL DATA |
| 400638766 | DEVIATED DRILLING PLAN |

Total Attach: 8 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|---|-------------------------|
| Permit | Oper. submitted open hole logging exception request. No LGD or public comments. Final Review--passed. | 3/7/2014 7:09:01 AM |
| Permit | Corrected incorrect value on Xcel dir. template. Corrected dist. to lease. | 7/18/2014 2:10:30 PM |
| Engineer | Evaluated any existing wells within 1500' of proposed directional. | 7/14/2014 4:34:48 PM |
| Permit | Passed completeness. MTDs all match. | 7/3/2014 8:25:30 AM |
| Permit | Return to draft. Proposed TD/Casing TD do not match Deviated drilling plan/Directional data TD. | 6/27/2014 4:52:00 PM |

Total: 5 comment(s)