

**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 <u>Pilot Hole</u>	Refiling <input checked="" type="checkbox"/>
ZONE TYPE    SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONES <input checked="" type="checkbox"/> COMMINGLE ZONES <input checked="" type="checkbox"/>	Sidetrack <input type="checkbox"/>

Date Received:  
07/25/2014

Well Name: <u>Pathfinder</u>	Well Number: <u>C 14-01 1</u>
Name of Operator: <u>AUS-TEX EXPLORATION INC</u>	COGCC Operator Number: <u>10412</u>
Address: <u>7985 W 16TH AVENUE</u>	
City: <u>LAKEWOOD</u>	State: <u>CO</u>
	Zip: <u>80214</u>
Contact Name: <u>Kaulin Waldner</u>	Phone: <u>(303)437-0082</u>
	Fax: <u>( )</u>
Email: <u>kaulin.waldner@dewpointwest.com</u>	

**RECLAMATION FINANCIAL ASSURANCE**  
 Plugging and Abandonment Bond Surety ID: 20120088

**WELL LOCATION INFORMATION**

QtrQtr: SWSW    Sec: 1    Twp: 20S    Rng: 70W    Meridian: 6  
 Latitude: 38.333375    Longitude: -105.179461

Footage at Surface: 1121 feet    FNL/FSL FSL 301 feet    FEL/FWL FWL

Field Name: WILDCAT    Field Number: 99999  
 Ground Elevation: 5955    County: FREMONT

GPS Data:  
 Date of Measurement: 03/27/2012    PDOP Reading: 1.7    Instrument Operator's Name: D.N.

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

Sec: \_\_\_\_\_ Twp: \_\_\_\_\_ Rng: \_\_\_\_\_    Sec: \_\_\_\_\_ Twp: \_\_\_\_\_ Rng: \_\_\_\_\_

**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: Bond

Surface damage assurance if no agreement is in place: Blanket    Surface Surety ID: 20140022

**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 is a single lease hold.

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: 2294 Feet

**CULTURAL DISTANCE INFORMATION**

Distance to nearest:

Building: 1260 Feet

Building Unit: 1293 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 1502 Feet

Above Ground Utility: 1260 Feet

Railroad: 5280 Feet

Property Line: 996 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: 1650 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.)
CODELL	CODL			
NIOBRARA	NBRR			
PIERRE	PRRE			
SHARON SPRINGS	SHSP			

**DRILLING PROGRAM**

Proposed Total Measured Depth: 6050 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1650 Feet (Including plugged wells)

Will a closed-loop drilling system be used? No

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 H<sub>2</sub>S 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: 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	20	16	LP	0	60	5	60	0
SURF	12+1/4	9+5/8	36	0	1200	411	1200	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? \_\_\_\_\_ 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: 7/25/2014 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: 8/20/2014

Expiration Date: 08/19/2016

### API NUMBER

05 043 06219 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 of spud via electronic Form 42. 2) Plug back pilot hole as follows: Set 40 sx cement 50' above Niobrara.
	Onsite waste management has been revised back to what was on the approved from 2a. Offsite disposal. Operator must have an approved sundry with a waste management plan in accordance w/ Rule 907. prior to drilling the well.
	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

<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>
400650742	FORM 2 SUBMITTED
400650943	LEGAL/LEASE DESCRIPTION
400650951	WELL LOCATION PLAT

Total Attach: 3 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Pilot hole will be drilled first followed by the revised lateral once new information is processed regarding the pilot hole.	8/20/2014 10:22:04 AM
Permit	Final review completed; no public comment received. LGD comment posted.	8/20/2014 10:16:16 AM
Permit	Operator submitted a form 42 spud notice for 8/15/2014. Old permit had expired and new permit has not been approved. K. Waldner stated in telephone call to G. Deranleau and L. Coler of the COGCC that they were anticipating beginning on that date but have not done so.	8/19/2014 6:07:17 AM
Environmental	The change from offsite cuttings disposal to onsite cuttings management is a substantive change to the oil and gas location and will require a form 2A amending the location, or at a minimum an approved form 4 sundry notice with a waste management plan in accordance w/ Rule 907.per G. Deranleau Environmental Manager	8/15/2014 9:27:22 AM
Permit	Permit was edited for on-site disposal of cuttings and fluids in order for this location to mimic the previous locations in Section 18 that we have discussed/permitted with COGCC. Aus-Tex will not be drilling with oil based muds and will test all cuttings in accordance with the 910 regulations before any type of reclamation occurs. The drill cuttings will only be left on location if the cuttings test under the 910 concentration levels. The cuttings will be hauled off location to an approved disposal facility if the concentration levels are too high. per operator. K. Waldner	7/31/2014 8:10:04 AM
Permit	Original permit approved indicated Offsite disposal at disposal facility. This re-file permit indicates onsite disposal of fluids and cuttings. Bonding on. Notified OGLA.	7/31/2014 7:26:34 AM
LGD	The Fremont County Department of Transportation has requirements for Driveway Access Permits and Transportation Plans.For more information contact Annette.ortega@fremontco.com, or Anthony Adamic at tony.adamic@fremontco.com, both at 719-275-2047.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).	7/28/2014 7:50:04 AM

Total: 7 comment(s)