

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: 404 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1317 Feet

Building Unit: 2940 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 431 Feet

Above Ground Utility: 5280 Feet

Railroad: 5280 Feet

Property Line: 456 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: 690 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: 5200 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 690 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: Drilling pit

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	18+5/8	LP	0	60	5	60	0
SURF	17	13+3/8	48	0	900	382	900	0
1ST	12+1/4	9+5/8	36	0	3800	100	3800	3300
OPEN HOLE	8+3/4			0	5200			

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 well is to be drilled as a Pilot Hole and not to be produced. Possible lateral to be permitted in the future.

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: Kaulin Waldner

Title: Agent Date: 8/5/2014 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: 10/19/2014

Expiration Date: 10/18/2016

API NUMBER
05 043 06227 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 prior to spud via electronic Form 42. 2) Cement 9-5/8" intermediate casing to a minimum of 200' above Niobrara. Verify with cement bond log. 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. 4) If well is a dry hole set plugs at the following depths: 50 sks cement (or CIBP + 10 sx cement) at top of Niobrara inside 9-5/8" intermediate, 50 sks cement from 50' below surface casing shoe to 80' above surface casing shoe. Perf and squeeze this cement or recover intermediate and set stub/shoe plug(s), 20 sks cement in top of surface csg, cut 4 ft below GL, weld on plate, 5 sks cement in rat hole and mouse hole.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	General Housekeeping	Materials and fluids will be stored neat and orderly. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. Prompt cleanup of spills 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. 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.
2	Dust control	Aus-Tex will apply appropriate measures to ensure dust control and mitigate potential impacts resulting from dust emissions.
3	Drilling/Completion Operations	Aus-Tex will ensure compliance with Rule 318e (Wells located near a mine).

Total: 3 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400639569	FORM 2 SUBMITTED
400641603	WELL LOCATION PLAT
400641604	LEGAL/LEASE DESCRIPTION

Total Attach: 3 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no public comment received.	10/3/2014 6:30:51 AM
Permit	Changed the distance to nearest Building to 2940 feet based on the COGIS and Google Maps.per OGLA	10/3/2014 6:22:04 AM
Permit	Distance to lease line revised from 179' to 404'. Operator states in permit that this is a hole from which a lateral will be drilled from. Pilot hole is too close to lease line to produce oil and gas without first submitting exception location request and other documentation supporting the request.	8/11/2014 12:42:44 PM
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).	3/7/2014 3:39:22 PM
Permit	Passed Completeness	3/7/2014 1:50:34 PM

Total: 5 comment(s)