

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Date Received:
09/12/2014

TYPE OF WELL OIL GAS COALBED OTHER INJECTION WELL

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refiling
Sidetrack

Well Name: TOMPKINS Well Number: 41AWI-08-07-95

Name of Operator: URSA OPERATING COMPANY LLC COGCC Operator Number: 10447

Address: 1050 17TH STREET #2400

City: DENVER State: CO Zip: 80265

Contact Name: JENNIFER LIND Phone: (720)508-8362 Fax: ()

Email: JLIND@URSARESOURCES.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20120125

WELL LOCATION INFORMATION

QtrQtr: SESE Sec: 5 Twp: 7S Rng: 95W Meridian: 6

Latitude: 39.459959 Longitude: -108.013739

Footage at Surface: 200 feet FNL/FSL FSL 522 feet FEL/FWL FEL

Field Name: PARACHUTE Field Number: 67350

Ground Elevation: 5528 County: GARFIELD

GPS Data:
Date of Measurement: 04/22/2014 PDOP Reading: 1.7 Instrument Operator's Name: P. HOFFMANN

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

1320 FNL 1320 FEL 1320 FNL 1320 FEL

Sec: 8 Twp: 7S Rng: 95W Sec: 8 Twp: 7S Rng: 95W

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: No

The right to construct the Oil and Gas Location is granted by: Surface Use Agreement

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.)

LEASE INFORMATION IS NOT APPLICABLE AS THIS IS A PLANNED INJECTION WELL.

Total Acres in Described Lease: _____ 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: _____ Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 518 Feet

Building Unit: 518 Feet

High Occupancy Building Unit: 5260 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 223 Feet

Above Ground Utility: 216 Feet

Railroad: 5011 Feet

Property Line: 201 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: 04/29/2014

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 1320 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Iles formation is unspaced in this area.

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
ILES	ILES			

DRILLING PROGRAM

Proposed Total Measured Depth: 8130 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 670 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)

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: Recycle/reuse

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Beneficial reuse

Other Disposal Description:

If cuttings meet Table 910 they will be beneficially reused.

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	16	84	0	60	111	60	0
SURF	12+1/4	8+5/8	32	0	1700	267	1700	0
1ST	7+7/8	4+1/2	11.6	0	8130	755	8130	

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 Ursa plans to use this well as an underground injection well. Forms 31 and 33 will be submitted following this APD submission.

First String / Production cement will be > 500 feet above TOG. Please see attached plat for reference to cultural setbacks. Distance to nearest well completed in the same formation is greater than 1 mile (5280') from the proposed BHL location. Distance to nearest well permitted or existing penetrating objective formation was measured to the proposed Tompkins 32A-08-07-95 (Ursa well, API 05-045-22477).

Pre-application Notice / Buffer Zone Notice was sent to building unit owners within 1000' of the location on 4/29/14. The building unit owners within 1000' have waived all future notification requirements. Pre-application certification and signed notification waivers are attached to the associated Tompkins Pad Form 2A (Doc #400607816).

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

Location ID: 438312

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: JENNIFER LIND

Title: REGULATORY ANALYST Date: 9/12/2014 Email: JLIND@URSARESOURCES.C

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: 10/31/2014

Expiration Date: 10/30/2016

API NUMBER 05 045 22551 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 comply with Buffer Zone Move-In, Rig-Up Notice Policy dated 12-16-2013.
	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.
	<p>(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED. SEE ATTACHED NOTICE.</p> <p>(2) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE GARFIELD COUNTY RULISON FIELD NOTICE TO OPERATORS IS REQUIRED, WITH THE FOLLOWING EXCEPTION: ALL FIELD NOTICE REQUIREMENTS SPECIFIED IN THIS NOTICE TO OPERATORS ARE SUPERSEDED BY THE REQUIREMENTS OF THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY (SEE CONDITION OF APPROVAL #1). SEE ATTACHED NOTICE.</p> <p>(3) CEMENT ON 1ST STRING ("PRODUCTION") CASING MUST BE A MINIMUM OF 200' ABOVE THE TOP OF THE MESA VERDE FORMATION (OR 200' ABOVE THE OHIO CREEK FORMATION IF PRESENT). CEMENT TOP VERIFICATION BY CBL IS REQUIRED.</p> <p>(4) APPROVAL OF THIS FORM DOES NOT AUTHORIZE INJECTION. AUTHORIZATION TO INJECT REQUIRES APPROVAL OF FORM 31 AND FORM 33.</p> <p>(5) BEFORE STIMULATING THE OBJECTIVE INJECTION FORMATION(S), COLLECT WATER SAMPLE(S) AND ANALYZE FOR TOTAL DISSOLVED SOLIDS. PRIOR APPROVAL OF FORM 4 IS REQUIRED FOR STEP RATE AND INJECTIVITY TESTS.</p> <p>(6) A STEP RATE TEST TO DETERMINE FRACTURE PRESSURE IS PERMISSIBLE BEFORE APPROVING FORMS 31 AND 33, BUT MUST BE GIVEN COGCC APPROVAL PRIOR TO CONDUCTING THE TEST. THE TEST VOLUME MUST NOT EXCEED 10,000 BBLs AND THE DURATION MUST NOT EXCEED 10 DAYS.</p>

Best Management Practices

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

Applicable Policies and Notices to Operators

Piceance Rulison Field - Notice to Operators.
NW Colorado Notification Policy.
Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400671990	FORM 2 SUBMITTED
400672219	DEVIATED DRILLING PLAN
400672231	DIRECTIONAL DATA
400672257	WELL LOCATION PLAT
400686053	SURFACE AGRMT/SURETY

Total Attach: 5 Files

General Comments

User Group	Comment	Comment Date
UIC	See Jay Krabacher's COAs #'s 1-6. Pass.	10/28/2014 9:09:14 AM
Permit	Final review complete.	10/28/2014 7:55:16 AM
LGD	Pass-GDB	9/16/2014 10:21:31 AM
Engineer	THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 240 FEET DEEP. Evaluated existing offset wells within 1,500 feet of this wellbore. No mitigation required.	9/15/2014 12:48:25 PM
Permit	Passed Completeness	9/12/2014 1:57:15 PM

Total: 5 comment(s)