

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.)

T6n-R67W, SEC. 22:SW/4

Total Acres in Described Lease: 160 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: 155 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 964 Feet
 Building Unit: 1005 Feet
 High Occupancy Building Unit: 3331 Feet
 Designated Outside Activity Area: 5280 Feet
 Public Road: 970 Feet
 Above Ground Utility: 1290 Feet
 Railroad: 1345 Feet
 Property Line: 155 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: 09/01/2014

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 80 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

S2/N2 & N2/S2 OF SEC. 21-T6N-R67W; S2/N2 & N2/S2 OF SEC. 22-T6N-R67W

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		640	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 17160 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 80 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 318A

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
SURF	13+1/2	9+5/8	36	0	806	350	806	0
1ST	8+3/4	7	26	0	7726	787	7726	0
1ST LINER	6+1/8	4+1/2	13.5	7545	17160	942	17160	7545

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 The Operator proposes to sidetrack a well in Section 23, Township 6N, Range 67W in Weld County, Colorado as follows:

SHL: 992' FSL 155' FWL
 Top of Production: 2642 FSL 460 FEL
 BHL: 2634' FSL 460' FWL Sec 22, T6N, R67W (same as original APD)

Proposed sidetrack point: 11944' MD

This well is a Rule 318A.a.(4)D Horizontal GWA Well: PSU Map is attached to document #400669093. Operator notified via certified mail on 9/4/13 all owners as defined in C.R.S. 34-60-103(7) within the proposed spacing unit and received no written objections. Extraction respectfully requested that the Rule 318A.a.(4)D Horizontal well and proposed spacing unit be approved. Application is surface owner and waives Rule 318A.a and 318A.c. Request was attached to document #400669093.

Operator intends to drill the well the Codell formation at 17,160' MD.

See CORRESPONDENCE attachment for REQUIRED OPERATOR COMMENTS for UNPLANNED Sidetrack While Drilling. The pertinent comments are as follows:

"We are having an issue on the Diamond Valley East #13 (API# - 05-123-40317-00). We had no issues maintaining the target zone until roughly 12100', where we exited. Seismic data shows the formation top above our current depth and our off-set horizontal wells showed a 10' fault shifting the Niobrara upward. Neither of these have proved to be true.

We have spent the rest of the lateral trying to get back in zone with no success.

As you can see we have been skipping off the top of the Codell since. We have spent too much time out of zone and need to sidetrack. I would like to open hole sidetrack, if the State will allow it. Tentatively, I am planning to open hole sidetrack about 11944' . We will cement this liner after sidetrack is complete and drilled to TD, so isolation will not be an issue."

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

Location ID: 435083

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: Kaleb Roush

Title: Drilling Technician Date: 11/26/2014 Email: kroush@extractionog.com

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: 11/28/2014

Expiration Date: 11/27/2016

API NUMBER
05 123 40317 01

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

<u>COA Type</u>	<u>Description</u>

Best Management Practices

No BMP/COA Type

Description

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

Attachment Check List

Att Doc Num

Name

400741233	FORM 2 SUBMITTED
400741365	CORRESPONDENCE
400742046	DIRECTIONAL DATA
400742190	DIRECTIONAL DATA

Total Attach: 4 Files

General Comments

User Group

Comment

Comment Date

Final Review	Changed PTMD from 16,430' to 17,160' to reflect revised casing plan. Deleted wellbore diagram. A revised wellbore diagram will be scanned to the well file separate from this Form 2.	11/28/2014 5:47:48 PM
Engineer	operator supplied actual casing/cement	11/28/2014 5:23:17 PM
Permit	Unplanned Sidetrack for 123-40317-00 Diamond Valley East 13.	11/26/2014 3:49:41 PM
Permit	This form has passed completeness.	11/26/2014 3:36:31 PM

Total: 4 comment(s)