

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 Mineral Lease Description

Total Acres in Described Lease: 9640 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: 3668 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1705 Feet

Building Unit: 5280 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: 2259 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: 2256 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.)
WASATCH	WSTC			

DRILLING PROGRAM

Proposed Total Measured Depth: 8850 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 272 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: _____ Drilling Fluids Disposal Methods: _____

Cuttings Disposal: _____ Cuttings Disposal Method: _____

Other Disposal Description: _____

There will be no additional drilling activities on this well for this recompletion; therefore, there is no drilling waste management program needed.

Beneficial reuse or land application plan submitted? _____

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+0/0	16+0/0	65	0	60	4	60	0
SURF	14+3/4	9+5/8	36	0	2590	1714	2590	0
1ST	8+3/4	4+1/2	11.6	0	8813	1798	8813	1956

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

OXY is proposing to re-enter and re-complete the 697-09-54B well which is located on the 697-09-61 pad (location #335889). The 697-09-61 pad is an existing pad with 16 producing wells, 4 plugged and abandoned wells and the 697-09-54B well which is shut in. There will be no additional surface disturbance to the pad. OXY will temporarily plug off and isolate the Williams Fork formation by setting a CIBP within 50' of the top perf. The Wasatch formation will be perf'd and tubing will be set. Green completions will be utilized. Per my conversation with Arthur Koepsell on 10/14/2014, no baseline water sampling is required on a re-entry procedure.

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

Location ID: 335889

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: Joan Proulx

Title: Regulatory Date: 11/4/2014 Email: joan_proulx@oxy.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: 12/3/2014

Expiration Date: 12/02/2016

API NUMBER

05 045 16009 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) Operator shall comply with the most current revision of the Northwest Notification Policy. See attached notice.

2) Offset Well Evaluation: COGCC Engineering contacted operator on 11/07/2014, concerned about potential for this proposed well to communicate with offset wells during stimulation.

Existing Offset Producing Wells of Concern: API#045-14298 CASCADE CREEK 697-09-60D, API#045-16017 CASCADE CREEK 697-15-05, API#045-16010 CASCADE CREEK 697-09-54A, and API#045-16020 CASCADE CREEK 697-09-62A.

Operator responded on 11/20/2014, and operator agrees to mitigate by performing the following: monitor the bradenhead pressures per Operator BMP/COA #1.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	During the Wasatch recompletion operations, OXY will monitor the bradenhead pressure of the wells listed in COA#3. The wells are monitored by our SCADA system, and the bradenhead pressures will be continuously monitored during the recompletion operations. If a bradenhead pressure reaches 200 psi above the baseline pressure for that specific well, the recompletion operations will be shut down, a Form 42 will be submitted within 24 hours and plans will be made to remediate the well with the high bradenhead pressure.

Total: 1 comment(s)

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400723088	FORM 2 SUBMITTED
400723100	LEGAL/LEASE DESCRIPTION
400723101	WELLBORE DIAGRAM
400723102	WELLBORE DIAGRAM
400723103	OTHER

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected distance to nearest wellbores completed in the same formation using distance to Cascade Creek 697-09-21B and notified opr. Completed Directional data as per opr. Lease informaiton completed as per opr instructions. Drilling and waste management corrected as per opr. Final review complete.	11/28/2014 8:44:11 AM
Engineer	Placed on hold pending information from operator regarding offset well mitigation. Emailed operator on 11/19 and received response on 11/21. Updated offset well files with information provided by operator.	11/19/2014 8:31:03 AM
Permit	Passed Completeness	11/6/2014 2:01:08 PM

Total: 3 comment(s)