

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.

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: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 531 Feet

Building Unit: 714 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 266 Feet

Above Ground Utility: 292 Feet

Railroad: 5280 Feet

Property Line: 250 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: 256 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

Unit Configuration: 2N 65W 15: E/2E/2

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR		160	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 11711 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: _____ 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: Land application

Cuttings Disposal: _____ Cuttings Disposal Method: _____

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	779	300	779	0
1ST	8+3/4	7	26	0	7516	820	7516	0
1ST LINER	6+1/8	4+1/2	11.6	5535	11711			

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 UNPLANNED SIDETRACK
 APD NEEDS TO BE APPROVED PRIOR TO STARTING OPERATIONS PER DIANA BURN 12/31/14.

Upon drilling out the intermediate casing shoe, we encountered a larger fault than anticipated placing us well within the SSPG formation. We drilled approximately 450' of SSPG. Drilling continued operations for another couple hundred feet until unable to drill ahead efficiently. Decision was made to trip for a slick BHA assembly to try and drill ahead. Once drilling commenced with the new assembly, they were unable to drill past the fault at 7680' MD. Decision was then made to trip out of hole and prepare a temporary abandonment procedure.

a. Total measured depth reached (also have TVD)

- i. MD Reached: 8,783'
- ii. TVD: ~6,953'

b. Casing sizes set and measured depth

Surface Casing: 1. OD- 9.625"
 2. ID- 8.921"
 3. Set Depth- 779' MD; 779' TVD

Intermediate Casing: 1. OD- 7"
 2. ID- 6.276"
 3. Set Depth- 7,516' MD; ~6,940' TVD

c. Type of cement you will be using including weight, yield, and sacks. If an openhole sidetrack make that point clear

- i. Per our previous conversation with Diana Burn, we already set a 600' 17# 0.99 yield (129 sack) cement plug from 7660' MD to approximately 7060' MD. We then tripped up to above KOP and set a composite bridge plug at approximately 6150' MD as a second form of isolation for the well during the T&A.
- ii. For the sidetrack itself, we will be performing a cased hole whipstock sidetrack using a 7" Baker Hughes PathMaker Whipstock and a PathMaster PDC Formation Mill. We will mill our casing window, trip for a drilling assembly and drill curve and lateral to TD using SBM.

d. Measured depth and TVD of sidetrack point: i MD of Sidetrack: ~5,635'
 ii. TVD of Sidetrack: ~5,402'

e. Proposed target formation of sidetrack hole if different than permitted - Targeting the Niobrara "C" Chalk formation Drill to the planned TD of 11,711' MD. BHL changed 100' to the West for AC concerns (460' FSL & 805' FEL).

f. A hand drawing of wellbore including where cement will be, fish is, and sidetrack will be Attached

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

Location ID: 318488

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: CHERYL LIGHT

Title: SR. REGULATORY ANALYST Date: 12/31/2014 Email: DJREGULATORY@ANADARK

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: 12/31/2014

Expiration Date: 12/30/2016

API NUMBER 05 123 37937 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

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Best Management Practices

No BMP/COA Type

Description

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Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

Attachment Check List

Att Doc Num

Name

400762036	FORM 2 SUBMITTED
400762104	DEVIATED DRILLING PLAN
400762113	WELL LOCATION PLAT
400762119	WELLBORE DIAGRAM
400762121	DIRECTIONAL DATA
400762131	CORRESPONDENCE

Total Attach: 6 Files

General Comments

User Group

Comment

Comment Date

Permit	Final Review Completed. No LGD or public comment received.	12/31/2014 3:05:48 PM
Permit	Unplanned sidetrack for API# 123-37937. Permitting Review Completed.	12/31/2014 3:05:10 PM
Engineer	Offset wells evaluated.	12/31/2014 2:34:16 PM
Engineer	Changed depth of 7" casing to match attached wellbore diagram and correspondence.	12/31/2014 2:22:53 PM
Permit	This form has passed completeness.	12/31/2014 2:12:44 PM

Total: 5 comment(s)