

**APPLICATION FOR PERMIT TO:**

**Drill**       Deepen       Re-enter       Recomplete and Operate

Date Received:

TYPE OF WELL    OIL     GAS     COALBED     OTHER Lateral #1 (Lower)      Refilling

ZONE TYPE      SINGLE ZONE     MULTIPLE ZONES       COMMINGLE ZONES       Sidetrack

Well Name: PENROSE      Well Number: 2-8H

Name of Operator: XTO ENERGY INC      COGCC Operator Number: 100264

Address: 382 CR 3100

City: AZTEC      State: NM      Zip: 87410

Contact Name: Cherylene Weston      Phone: (505)333-3190      Fax: (505)333-3284

Email: cherylene\_weston@xtoenergy.com

**RECLAMATION FINANCIAL ASSURANCE**

Plugging and Abandonment Bond Surety ID: 20100210

**WELL LOCATION INFORMATION**

QtrQtr: SWSW    Sec: 8    Twp: 32N    Rng: 6W    Meridian: N

Latitude: 37.026900      Longitude: -107.529840

Footage at Surface: 932 feet    FNL/FSL    FSL    892 feet    FEL/FWL    FWL

Field Name: IGNACIO BLANCO      Field Number: 38300

Ground Elevation: 6389      County: LA PLATA

GPS Data:

Date of Measurement: 07/31/2014    PDOP Reading: 6.0    Instrument Operator's Name: D. ALEX JOHNSON

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

1295    FSL    720    FWL    660    FNL    660    FWL

Sec: 8    Twp: 32N    Rng: 06W      Sec: 8    Twp: 32N    Rng: 06W

**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: Yes

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.)

W/2 SEC. 8, T32N, R06W, LA PLATA COUNTY, COLORADO  
320 ACRES

Total Acres in Described Lease: 320 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: 660 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 732 Feet  
Building Unit: 5280 Feet  
High Occupancy Building Unit: 5280 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 553 Feet  
Above Ground Utility: 893 Feet  
Railroad: 5280 Feet  
Property Line: 173 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: 01/28/2015

## SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 225 Feet

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

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

## SPACING & FORMATIONS COMMENTS

W/2 SEC. 8, T32N, R6W, LA PLATA COUNTY, COLORADO  
320 ACRES

## OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
FRUITLAND COAL	FRLDC	112-240	320	W/2

## DRILLING PROGRAM

Proposed Total Measured Depth: 6170 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 225 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S 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 608

## 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?                     

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	225	188	225	0
1ST	8+3/4	7	23	0	2980	289	2980	0
1ST LINER	6+1/8	4+1/2	10.5	0	6170			

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 Lower Lateral #1; no conductor casing will be set. See form #400743402 (pilot hole) and #400743858 for Lateral #2 (upper).

Proposed well will be drilled on the same pad as the Penrose #3-8H.

Horizontal Policy will not apply. XTO will not frac this well.

Rule 317.r and 317.s will not apply. XTO will not frac this well.

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: Cherylene Weston \_\_\_\_\_

Title: Sr. Permitting Analyst \_\_\_\_\_ Date: \_\_\_\_\_ Email: cherylene\_weston@xtoenergy. \_\_\_\_\_

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: \_\_\_\_\_

Expiration Date: \_\_\_\_\_

API NUMBER

05

## 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.

## Best Management Practices

<b>No</b>	<b>BMP/COA Type</b>	<b>Description</b>
1	Construction	<p>Certificate to Discharge Under CDPS General Permit No. COR-03000 Stormwater Discharges Associated with Construction. Certification No. COR03C483</p> <ul style="list-style-type: none"> <li>• A Field Wide Stormwater Management Plan (SWMP) for the La Plata Infill Program is on file at the XTO Energy Inc. (72 Suttle Street, Suite J, Durango, CO, 81303) office. A Site Specific SWMP including a Site Plan will be developed for each location.</li> <li>• Spill Prevention, Control and Countermeasures (SPCC) for the La Plata Infill Program is on file at the XTO Energy Inc. (72 Suttle Street, Suite J, Durango, CO, 81303) office. The Field Wide and Site Specific SWMPs each address SPCC during construction operations. See attached diagram for site specific BMPs</li> <li>• Inspections of the project site and maintenance of installed BMP's shall be conducted in accordance with the CDPHE CDPS permit and field wide plan.</li> <li>• The attached Table 1 lists BMP's which may be utilized during the construction phase and in development of the Site Specific SWMP. BMP selection is based on site specific conditions including topography, existing vegetation, timing, construction sequencing, etc.</li> </ul>

Total: 1 comment(s)

### Attachment Check List

<b>Att Doc Num</b>	<b>Name</b>
400743848	WELL LOCATION PLAT
400790920	DRILLING PLAN
400790921	DEVIATED DRILLING PLAN
400790955	CONSULT NOTICE
400790956	PROPOSED BMPS
400790959	SURFACE AGRMT/SURETY
400790979	PROPOSED BMPS
400801096	DIRECTIONAL DATA

Total Attach: 8 Files

### General Comments

<b>User Group</b>	<b>Comment</b>	<b>Comment Date</b>

Total: 0 comment(s)