

**APPLICATION FOR PERMIT TO:**

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

TYPE OF WELL    OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____	Refiling <input type="checkbox"/>
ZONE TYPE    SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input type="checkbox"/>

Date Received:  
01/26/2015

Well Name: Rich      Well Number: 2-32H

Name of Operator: EE3 LLC      COGCC Operator Number: 10450

Address: 4410 ARAPAHOE AVENUE #100

City: BOULDER      State: CO      Zip: 80303

Contact Name: Kimberly Rodell      Phone: (303)942-0506      Fax: ( )

Email: krodell@upstreampm.com

**RECLAMATION FINANCIAL ASSURANCE**  
Plugging and Abandonment Bond Surety ID: 20130007

**WELL LOCATION INFORMATION**

QtrQtr: SWSE      Sec: 32      Twp: 7N      Rng: 80W      Meridian: 6

Latitude: 40.528664      Longitude: -106.396479

Footage at Surface:      750 feet      FNL/FSL      2340 feet      FEL/FWL

Field Name: WILDCAT      Field Number: 99999

Ground Elevation: 8205      County: JACKSON

GPS Data:  
Date of Measurement: 06/03/2014      PDOP Reading: 1.1      Instrument Operator's Name: Randall R. Miller

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
<u>610</u>	<u>FNL</u>	<u>2537</u>	<u>610</u>	<u>FSL</u>	<u>1960</u>
		<u>FEL</u>			<u>FWL</u>
Sec: <u>5</u>	Twp: <u>6N</u>	Rng: <u>80W</u>	Sec: <u>5</u>	Twp: <u>6N</u>	Rng: <u>80W</u>

**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.)

T6N R80W Sec. 5: Lot 2-3, SENW, NESW, SESW

Total Acres in Described Lease: 202 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: 150 Feet

**CULTURAL DISTANCE INFORMATION**

Distance to nearest:

Building: 4224 Feet  
 Building Unit: 5069 Feet  
 High Occupancy Building Unit: 5280 Feet  
 Designated Outside Activity Area: 5280 Feet  
 Public Road: 399 Feet  
 Above Ground Utility: 2460 Feet  
 Railroad: 5280 Feet  
 Property Line: 291 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: 2180 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 610 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.)
NIOBRARA	NBRR	531-1	649	S. 5 ALL

**DRILLING PROGRAM**

Proposed Total Measured Depth: 13198 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 2140 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 H<sub>2</sub>S Drilling Operations Plan)

Will salt sections be encountered during drilling? No



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: Kimberly Rodell \_\_\_\_\_

Title: Permit Agent \_\_\_\_\_ Date: 1/26/2015 \_\_\_\_\_ Email: krodell@upstreampm.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: 3/24/2015

Expiration Date: 03/23/2017

**API NUMBER**  
05 057 06537 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

	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.
	(1) Operator shall comply with the most current revision of the Northwest Notification Policy. See attached notice.  (2) Operator shall provide cement coverage from the production casing shoe (5+1/2" First String) to a minimum of 200' above the surface casing shoe to provide full isolation of the Coalmont Formation. Operator shall increase cement volume accordingly to accomplish this objective. Verify production casing cement coverage with a cement bond log.

### Best Management Practices

#### No BMP/COA Type

#### Description

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### Applicable Policies and Notices to Operators

NW Colorado Notification Policy.
Notice Concerning Operating Requirements for Wildlife Protection.

### Attachment Check List

<b>Att Doc Num</b>	<b>Name</b>
400762815	FORM 2 SUBMITTED
400777338	DIRECTIONAL DATA
400777344	DEVIATED DRILLING PLAN
400777346	WELL LOCATION PLAT
400779908	DRILLING PLAN
400779915	LEASE MAP
400779918	SURFACE AGRMT/SURETY

Total Attach: 7 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	3/24/2015 7:48:17 AM
Permit	-Operator revised Distance from completed portion of wellbore to nearest lease line of described lease from 610' to 150'. -Operator revised Distance from completed portion of wellbore to nearest wellbore permitted or completed in the same formation from 5280' to 2180'. -Operator revised Spacing Order number from 531-17 to 531-1. -Operator revised distance to unit boundary from 5280' to 610'.	2/24/2015 7:51:47 AM
Permit	-Distance from completed portion of wellbore to nearest wellbore permitted or completed in the same formation is listed as 5280' but there are multiple Niobrara wells within this distance.  -Distance from completed portion of wellbore to nearest lease line of described lease is listed at 610' but lease map appears to show lease line is much closer.  -Spacing Order 531-17 is not valid for the producing zone of this well. Unit configuration is incorrect.  -Distance from completed portion of wellbore to nearest unit boundary, currently listed as 5280', is incorrect.  Emailed operator to correct.	2/20/2015 11:27:22 AM
Engineer	"Distance to nearest permitted or existing wellbore penetrating objective formation: 2140 Feet (Including plugged wells)" appears to be accurate. Two other permitted wells have wellbore paths that are closer, but Form 2s for both wells are expired.	2/9/2015 2:33:36 PM
Engineer	Offset Well Evaluation: There are no existing oil & gas wells within 1,500 feet of this proposed wellbore. The proposed wellbore path of this well is within 1,500 feet of the proposed wellbore path of an offset permitted well, Damfino #3-06H (05-057-06479). However, Form 2 #1992751 for Damfino #3-06H expired on 10/7/2009. Therefore, there are no active permits for oil & gas wells within 1,500 feet of this proposed wellbore.	2/9/2015 2:21:18 PM
Engineer	COGCC evaluated offset water wells within one mile of this proposed well's surface hole location. This information was used in addition to locally-available geophysical logs and hydrogeologic information to evaluate the adequacy of the operator's proposed casing and cement design. The deepest water well within one mile is 200 feet (Coalmont Formation). The proposed surface casing setting depth of 1400' will not cover the entire Coalmont Formation, based on the operator's drilling prognosis. The Coalmont Formation is considered a potential freshwater resource in the North Park Basin (CGS Ground Water Atlas of Colorado, 2003). Minimum cement coverage requirements are specified in Condition of Approval #2. Changed required First String cement top from 6955' to 1200'.	1/28/2015 12:01:51 PM
Permit	Changed surety id from "2013007" to "20130007" per COGCC website. Changed deviated drilling plan label from "Directional Data" to "Deviated Drilling Plan". Passed completeness.	1/28/2015 10:42:21 AM

Total: 7 comment(s)