

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.)

ALL of Section 1, T7S, R97W, and ALL of Section 36, T6S, R97W, and other lands. Please see attached lease map.

Total Acres in Described Lease: 5141 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: 2025 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 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: 3957 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: 132 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.)
WILLIAMS FORK	WMFK	510-21		

DRILLING PROGRAM

Proposed Total Measured Depth: 9170 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 132 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 609

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: ONSITE Drilling Fluids Disposal Methods: Recycle/reuse

Cuttings Disposal: ONSITE Cuttings Disposal Method: Beneficial reuse

Other Disposal Description:

Dry cuttings will be stockpiled on location or transported off-site to an approved facility. If cuttings meet Table 910-1 standards, they will be treated as soil, stockpiled and beneficially re-used. See comment section for disposal details.

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
CONDUCTOR	30	20	52.8	0	100	261	100	0
SURF	16	9+5/8	36	0	2500	1533	2500	0
1ST	8+3/4	4+1/2	11.6	0	9170	779	9170	5523

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 Distance to nearest well completed in the same formation /permitted or existing well penetrating objective formation was measured to the producing Puckett 21A-1 (API# 045-19726). Please refer to the attached Rule 317.s Stimulation Setback Consent and Rule 317.r anti-collision BMP. The distance to lease line was measured from the BHL to the north west corner of Section 1 and of the Puckett 5,141 acre lease. Please see the BMPs attached to the Form 2A Location Assessment for this well pad (Doc # 400717071). DISPOSAL PLAN: Solids control equipment consisting of shale shakers, centrifuges, and flocculating unit will be utilized to separate drill cutting solids from liquid (water). If cuttings meet Table 910-1 standards, they will be treated as soil, stockpiled on location and beneficially re-used on location or at another location as approved by COGCC Sundry Form 4. Any excess cutting will be transported to an authorized waste facility. Closed loop system will be used to separate solids from liquid. Dry cuttings will be stockpiled on location or transported off-site to an approved facility. Clean drilling fluids will be recycled and used in drilling operations at the next pad location.

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: Crissy Venturo

Title: Permit Representative Date: 2/6/2015 Email: cventuro@progressivepcs.net

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: 5/1/2015

Expiration Date: 04/30/2017

API NUMBER 05 045 22865 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.

<u>COA Type</u>	<u>Description</u>
	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.
	<p>1) Operator shall comply with the most current revision of the Northwest Colorado Notification Policy. See attached notice.</p> <p>2) Operator shall comply with the most current revision of the Garfield County Rulison Field Notice to Operators, with the following exception: all field notice requirements specified in this notice to operators are superseded by the requirements of the most current revision of the Northwest Colorado Notification Policy (see condition of approval #1). See attached notice.</p> <p>3) Operator shall provide cement coverage from the production casing shoe (4+1/2" FIRST STRING) to a minimum of 200' above all Mesa Verde Group (and Ohio Creek Formation, if present) oil, gas, and water-bearing sandstone and coalbed formations. Verify production casing cement coverage with a cement bond log.</p> <p>4) Comply with all provisions of the June 12, 2008 Notice to Operators drilling wells within 3/4 mile of the rim of the Roan Plateau in Garfield County – Pit Design, Construction and Monitoring Requirements. See attached notice.</p> <p>5) The Operator shall monitor the bradenhead pressure of the proposed well and all offset wells under Operator's control which have a treated interval separation of 300 feet or less. Operator shall notify COGCC Engineering staff if anomalous bradenhead pressures are observed in the wells.</p>

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Anti-collision: Operator will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators prior to drilling.

Total: 1 comment(s)

Applicable Policies and Notices to Operators

Piceance Rulison Field - Notice to Operators.
NW Colorado Notification Policy.
Notice Concerning Operating Requirements for Wildlife Protection.
Pit Design, Construction and Monitoring Requirements Within 3/4 mile of the Rim of the Roan Plateau.

Attachment Check List

Att Doc Num	Name
2167990	EXCEPTION LOC REQUEST
2167991	EXCEPTION LOC WAIVERS
400728874	FORM 2 SUBMITTED
400749371	MINERAL LEASE MAP
400762979	WELL LOCATION PLAT
400770132	DIRECTIONAL DATA
400770133	DEVIATED DRILLING PLAN
400787890	ANTI-COLLISION WAIVER

Total Attach: 8 Files

General Comments

User Group	Comment	Comment Date
Permit	Removed distance to unit boundary, unit acreage, and unit configuration as per opr. Added "and other lands" to lease description with opr approval. Attached Exception Loc Request and Waiver to Order 510-21 as per opr. Final review complete.	4/9/2015 4:15:19 PM
Permit	Corrected Qtr/Qtr/Lot from Tract 93 to SENW as per opr. Corrected distance to nearest lease line from 1974' to 2025' as per opr. Ready to pass.	2/18/2015 2:58:04 PM
Engineer	Offset water well check: 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 hydrogeologic information to evaluate the adequacy of the operator's proposed surface casing setting depth. The deepest water well within one mile is 605 feet. The proposed surface casing setting depth is more than 50 feet below the base of the aquifer in which water wells are screened within one mile. The surface casing covers the entire Green River formation based on offset wells. Offset well evaluation: PUCKETT #241-1 (API#045-11010) was sidetracked. Well is operated by Caerus, anticollision waiver attached. TOC from CBL is 4262'. Williams Fork top is 5840'.	2/12/2015 4:50:36 PM
Permit	Passed Completeness	2/10/2015 11:53:43 AM

Total: 4 comment(s)