

**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 <u>UNPLANNED</u>	Refiling <input type="checkbox"/>
ZONE TYPE    SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input checked="" type="checkbox"/>

Date Received:  
05/21/2015

Well Name: DT-Habitat      Well Number: C4-5-6

Name of Operator: EXTRACTION OIL & GAS LLC      COGCC Operator Number: 10459

Address: 1888 SHERMAN ST #200

City: DENVER      State: CO      Zip: 80203

Contact Name: Kaleb Roush      Phone: (720)420-5745      Fax: ( )

Email: kroush@extractionog.com

**RECLAMATION FINANCIAL ASSURANCE**  
Plugging and Abandonment Bond Surety ID: 20130028

**WELL LOCATION INFORMATION**

QtrQtr: NWNE      Sec: 5      Twp: 5N      Rng: 65W      Meridian: 6

Latitude: 40.435400      Longitude: -104.683730

Footage at Surface: <u>398</u> feet	FNL/FSL FNL <u>1684</u> feet	FEL/FWL FEL
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Field Name: WATTENBERG      Field Number: 90750

Ground Elevation: 4640      County: WELD

GPS Data:  
Date of Measurement: 10/13/2014    PDOP Reading: 1.5    Instrument Operator's Name: C Homes

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
<u>2291</u> FNL <u>2188</u> FWL	<u>2179</u> FNL <u>460</u> FWL	
Sec: <u>5</u> Twp: <u>5N</u> Rng: <u>68W</u>	Sec: <u>6</u> Twp: <u>5N</u> Rng: <u>65W</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: Yes

The right to construct the Oil and Gas Location is granted by: applicant is owner

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.)

Please see lease map

Total Acres in Described Lease: 6 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: 694 Feet  
 Building Unit: 818 Feet  
 High Occupancy Building Unit: 5280 Feet  
 Designated Outside Activity Area: 5280 Feet  
 Public Road: 917 Feet  
 Above Ground Utility: 906 Feet  
 Railroad: 1529 Feet  
 Property Line: 320 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: 10/08/2014

**SPACING and UNIT INFORMATION**

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 514 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**

SEC 5-NW4  
 SEC 6-N2  
 T5N-R65W  
 480 ACRE SPACING

**OBJECTIVE FORMATIONS**

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CODELL	CODL		480	GWA

**DRILLING PROGRAM**

Proposed Total Measured Depth: 14938 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 514 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: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

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
CONDUCTOR	26	16+1/4	42	0	80	100	80	0
SURF	13+1/2	9+5/8	36	0	1042	636	1042	0
1ST	8+3/4	7	26	0	7755	1178	7755	0
1ST LINER	6+1/8	4+1/2	13.5	7656	14938			

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

1.) Distance from completed portion of wellbore to nearest wellbore permitted or completed in the same formation: 514' to Habitat 4-5-6 (05-123-38292).

2.) Distance to nearest permitted or existing wellbore penetrating objective formation: 514' to Habitat 4-5-6 (05-123-38292).

SUA waives any provisions of COGCC Rule 318A.a and has been attached for your review on the original APD (Doc #400723333).

This well is located on the Downtown Directional #1 Oil and Gas Location (Location ID 432599/DOc#400329702)

A drilling mishap resulted in fish containing a Cs 137 source being left in the ground. With every effort made to retrieve these tools, it became necessary to plug and abandon these downhole tools and sources. Our plan is as follows:

We will set a whipstock at 6900' and kick off there. This will have us re-drilling a portion of the curve but the sharron springs is still behind pipe, so we shouldn't have issues there. Once the curve is complete we will drill the well to completion. We will maintain a safe distance from the fish until we have cleared it and then slowly work our way back to the original BHL (thus not requiring a revised Well Location plat or Deviated Drilling Plan).

Well Details:

Total MD drilled to: 14853'

Surface casing – 9 5/8" 36# set at 1042'.

Intermediate casing – 7" 26# set at 7755'.

Fish in the hole is 2759' in length. Bottom sitting at 10815', top of fish at 8056'. The source is a Cs 137 source. The activity is 92.5 GBq. The source is a solid special form source. UN3332, Radioactive Material, Type A Package

Proposed sidetrack point – approx. 6900' using a cased hole whipstock.

Objective formation of sidetrack: Codell

Proposed BHL: 2179 FNL 460 FWL Sec 6, T5N, R65W (Same as original APD). Will drill about 8' above and 30' to the North of existing wellbore until we pass the fish then slowly head back to original BHL.

Cementing tool in place: Approved plan

1. Pump 95 sacks of conventional 15.80# cement (which equates to 540'), this will be spotted on top of the fish @ 8056'

2. Next we will set a Cast Iron Bridge plug at approx. 7500'

3. We will pump 95 sacks of 15.80# Halliburton Red Cement (again 540'), this will be spotted on top of the bridge plug bringing top of cement to approx. 6960'

4. Last we will set a whipstock on top of the red cement (approx. 6960') and drill out of the 7" casing from there to complete the well.

5. The mounting of a permanent identification plaque will be installed on the wellhead, as well as a written procedure and report (Per 16.25.3.3) will be submitted within 30 days of completing the well.

This plan was approved via email by Diana Burn on 5/21/2015.

This application is in a Comprehensive Drilling Plan \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: 432599

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: Kaleb Roush

Title: Engineering Technician Date: 5/21/2015 Email: kroush@extractionog.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: 5/22/2015

Expiration Date: 05/21/2017

API NUMBER
05 123 41027 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.

<u>COA Type</u>	<u>Description</u>

### Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>

### Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400838537	FORM 2 SUBMITTED
400842295	WELLBORE DIAGRAM
400843182	CORRESPONDENCE

Total Attach: 3 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Final Review	Regulation 16.25.3.3 cited in the operator comments is a CDPHE regulation.	5/22/2015 10:31:58 AM
Permit	Made changes to operator comments: Changed to Rule 318A.a "SUA waives any provisions of COGCC Rule 318A.a and has been attached for your review on the original APD (Doc #400723333). " Corrected BHL Footages from east line to "Proposed BHL: 2179 FNL 460 FWL Sec 6, T5N, R65W (Same as original APD)." Permitting Review Complete.	5/22/2015 10:26:42 AM
Permit	Passed Completeness	5/21/2015 4:14:24 PM

Total: 3 comment(s)