

FORM
2
Rev
08/13

State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:
400817914

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Date Received:
04/28/2015

TYPE OF WELL OIL GAS COALBED OTHER _____
ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refiling
Sidetrack

Well Name: CRESTED BUTTE Well Number: 2-14
Name of Operator: NIGHTHAWK PRODUCTION LLC COGCC Operator Number: 10399
Address: 1805 SHEA CENTER DR #290
City: HIGHLANDS RANCH State: CO Zip: 80129
Contact Name: KYLA HOWL Phone: (720)808-7735 Fax: ()
Email: kylahowl@nighthawkenergy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20120011

WELL LOCATION INFORMATION

QtrQtr: NWNE Sec: 14 Twp: 6S Rng: 54W Meridian: 6
Latitude: 39.533140 Longitude: -103.404860

Footage at Surface: 1003 feet FNL/FSL FNL 2115 feet FEL/FWL FEL

Field Name: ARIKAREE CREEK Field Number: 2914

Ground Elevation: 5201 County: LINCOLN

GPS Data:
Date of Measurement: 03/17/2015 PDOP Reading: 1.8 Instrument Operator's Name: ELIJAH FRANE

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

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

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.)

T6S, R54W, SEC 14: E2

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: 617 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: 3348 Feet

Above Ground Utility: 3298 Feet

Railroad: 5280 Feet

Property Line: 617 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: 1266 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.)
CAMBRIAN	CMBR			
CRETACEOUS	CRTC			
MISSISSIPPIAN	MSSP			
ORDOVICIAN	ORDV			
PENNSYLVANIAN	PENN			
PERMIAN	PRMN			

DRILLING PROGRAM

Proposed Total Measured Depth: 8500 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1266 Feet (Including plugged wells)

Will a closed-loop drilling system be used? No

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: OFFSITE Drilling Fluids Disposal Methods: Recycle/reuse

Cuttings Disposal: ONSITE Cuttings Disposal Method: Drilling pit

Other Disposal Description:

BACKFILL WHEN DRY

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	12+1/4	8+5/8	24	0	350	132	350	0
1ST	7+7/8	5+1/2	17	0	8500	1191	8500	6000

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 _____

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: KYLA HOWL _____

Title: PERMITTING SPECIALIST Date: 4/28/2015 Email: kylahowl@nighthawkenegy.co

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: 5/29/2015

Expiration Date: 05/28/2017

API NUMBER

05 073 06695 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

- 1) Provide 48 hour notice prior to spud via electronic Form 42.
- 2) If production casing is set provide cement coverage to at least 200' above the shallowest completed interval or Lansing, whichever is shallower and cement Cheyenne/Dakota interval (5100'-4500'). Run and submit CBL to verify cemented intervals.
- 3) If well is a dry hole set plugs at the following depths: 40 sks cement +/- 50' above the Spergen, 40 sks cement +/- 50' above the Cherokee, 40 sks cement +/- 50' above the Marmaton, 40 sks cement across any DST w/ show, 40 sks cement 50' below Cheyenne (5100' up), 40 sks cement 50' above top of Dakota (4500' up), 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface casing, cut 4 ft below GL, weld on plate, 5 sks cement each in rat hole and mouse hole.

Best Management Practices

No	BMP/COA Type	Description
1	Construction	<p>Certificate to Discharge Under CDPHE General Permit No. COR-030000 Stormwater Discharges Associated with Construction Certification No. COR31825</p> <p>Prior to construction, perimeter controls will be installed utilizing cuttings from the clearing operations.</p> <p>Once the well pad has been constructed a variety of BMP's shall be utilized for the site specific conditions.</p> <p>BMP's to be utilized may include, but are not limited to:</p> <ul style="list-style-type: none"> -Dirt Ditch/Berm -Erosion Control Blankets -Straw Bale Barrier -Straw Wattles -Seeding -Imported Hard Armor -Check Dams -Culvert/Culvert Protection -Crimped Straw -Silt Fence -Surface Roughening/Surface Rip <p>During construction, each site will be inspected every 14 days and 24-72 hours after any precipitation event causing erosion depending on the current site activities. These inspections will be recorded and maintained at Nighthawk's office. Repairs shall be completed as soon as possible after an inspection reporting BMP repairs are required. Any site specific modifications will be revised on the site plan when implemented at the site. A field wide Stormwater Management Plan (SWMP) for the Project Area is located at Nighthawk's office. Spill Protection Control and Countermeasures (SPCC) plans for the Project Area are stored on file at Nighthawk's office. The field wide SWMP addresses SPCC during construction operations.</p>
2	Drilling/Completion Operations	<p>Open-hole Resistivity Log with Gamma Ray Log will be run from TD into the surface casing. A Cement Bond Log with Gamma-Ray will be run on production casing, or on intermediate casing if a production liner is run. The Form 5, Completion Report, will list all logs run and have those logs attached.</p>

Total: 2 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400817914	FORM 2 SUBMITTED
400821170	WELL LOCATION PLAT
400821171	TOPO MAP
400831848	SURFACE AGRMT/SURETY

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	5/27/2015 3:28:24 PM
Permit	On Surface & Minerals tab, contacted operator concerning checkboxes pertaining to "The Surface Owner: is the mineral owner, is committed to an oil and Gas Lease, has signed the Oil and Gas Lease." Operator responded and requested that each checkbox is unchecked on this Form 2, as the surface owner is not the mineral owner. The appropriate changes have now been made.	5/27/2015 3:23:09 PM
Permit	Per operator, zones will not be commingled. Selected "NO" under "commingle zones" dropdown.	5/26/2015 9:48:27 AM
LGD	County Permit #1505	5/4/2015 8:17:47 AM
Permit	Corrected Ground Elevaion from "52001" to "5201". Passed completeness.	5/1/2015 12:31:29 PM

Total: 5 comment(s)