

APPLICATION FOR PERMIT TO:

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

Date Received:
06/25/2015

TYPE OF WELL OIL GAS COALBED OTHER _____ Refilling

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES Sidetrack

Well Name: Federal Well Number: 11-1

Name of Operator: FRAM OPERATING LLC COGCC Operator Number: 10310

Address: 6 SOUTH TEJON STREET #400

City: COLORADO SPRINGS State: CO Zip: 80903

Contact Name: David Cook Phone: (719)355-1320 Fax: (719)314-1362

Email: Dave@framamericas.com

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: N2N2 Sec: 11 Twp: 12S Rng: 98W Meridian: 6

Latitude: 39.026914 Longitude: -108.308958

Footage at Surface: 900 feet FNL/FSL FNL 816 feet FEL/FWL FWL

Field Name: WHITEWATER Field Number: 92840

Ground Elevation: 5772 County: MESA

GPS Data:
Date of Measurement: 07/24/2009 PDOP Reading: 6.0 Instrument Operator's Name: R. Mulliken

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: oil and gas lease

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.)

1: Lots 5-20
Township 12 S, Range 98 W, 6th PM
2: Lots 5-8
11: Lots 5-8
12: Lots 1-16
13: Lots 9-16
14: Lots 5, 6

Total Acres in Described Lease: 2230 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # COC61718

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 816 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: 5074 Feet
Above Ground Utility: 5280 Feet
Railroad: 5280 Feet
Property Line: 5280 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: 5280 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): Whitewater Unit Number: COC73038A

SPACING & FORMATIONS COMMENTS

There are no spacing rules for the Dakota Formation due to the well residing within the Whitewater Federal Unit.

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
DAKOTA	DKTA			
MANCOS	MNCS			

DRILLING PROGRAM

Proposed Total Measured Depth: 3650 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1710 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: 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	18	14	0	0	55	70	55	0
SURF	12+1/4	8+5/8	24	0	311	200	311	0
1ST	7+7/8	4+1/2	11.6	1674	3614	475	3614	1674

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 376-1

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 Fram Operating, LLC proposes to complete a new objective formation (Mancos) that was not previously permitted and the APD has expired. We are submitting this required Form 2 - Recomplete to evaluate formation approval and check for adequate cement coverage. Please find the attached Wellbore Diagram & Procedure.

This Form 2 is not being filed with a Form 2A. The Permitted Location ID is 312682.

The Federal 11-1 was previously permitted to also include the Dakota Formation. A CIBP will be set at 3250' to isolate the Dakota Formation prior to perforating the Mancos @ 3095'-3105'. Fram does not intend to abandon the Dakota Formation.

An MIT is scheduled for this well prior to drilling on July 20, 2015 at 11:00 AM. The attached procedure also includes the MIT. MIT will be performed before, but might be performed separately, depending on operator schedule.

Lease Map attached. This well is vertical and only falls under the COC61718 Lease.

Per Rule 609, there are no water wells within a 1/2 mile radius of the well and there will be no need for water sampling unless a new water well is built.

Exception for 318.c. is selected for any future Dakota Formation operations. The well is within the Whitewater Federal Unit, which has no spacing rules.

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 312682

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: David Cook

Title: Manager Date: 6/25/2015 Email: Dave@framamericas.com

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

05 077 08781 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.

Best Management Practices

No	<u>BMP/COA Type</u>	<u>Description</u>
1	General Housekeeping	Fram will follow all the required Noxious weed treatments as required by the BLM.
2	Wildlife	Please see the attached Wildlife Mitigation Plan and Project Specific COAs. There is no Form 2A filed with this report, but this gives details to vehicle speeds, trash containers, reclamation, water, and road use.
3	Drilling/Completion Operations	Rule 317.p. - This well is a re-complete, so no OH resistivity log will be run. A CBL and GR will be run on the rproduction casing. Rule 317.r. - No wells within 150 feet. Rule 317.s. - No wells within 150 feet.

Total: 3 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400857851	FORM 2 SUBMITTED
400858644	LEASE MAP
400858646	WELL LOCATION PLAT
400858678	SURFACE PLAN
400858679	FED. DRILLING PERMIT
400858766	DRILLING PLAN
400858779	WELLBORE DIAGRAM
400861523	PROPOSED BMPS
400861579	OIL & GAS LEASE

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Need to remove the plugging bond and blancket bond Added that Mineral Lease is Federal. Back to draft.	6/30/2015 9:01:43 AM

Total: 1 comment(s)