



**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.)

Township 11 North, Range 63 West of the 6th PM  
Section 5: All

Total Acres in Described Lease: 640 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: 5280 Feet  
 Building Unit: 5280 Feet  
 High Occupancy Building Unit: 5280 Feet  
 Designated Outside Activity Area: 5280 Feet  
 Public Road: 2646 Feet  
 Above Ground Utility: 2622 Feet  
 Railroad: 5280 Feet  
 Property Line: 350 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: 1320 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 600 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

**SPACING & FORMATIONS COMMENTS**

Nearest wellbore permitted or completed in the same formation is the Meader 3.

Codell - Unit Configuration:

T11N, R63W: Sec 5 - All

T12N, R63W: Sec 32 - All

**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	421-59	1280	ALL:5 11 63-32 12 63

**DRILLING PROGRAM**

Proposed Total Measured Depth: 17717 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1320 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

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? Yes

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: ONSITE Cuttings Disposal Method: Other

Other Disposal Description:

See comments for additional disposal information.

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
CONDUCTOR	24	16	42	0	80	100	80	0
SURF	12+1/4	9+5/8	36	0	1500	400	1500	0
1ST LINER	7+7/8	5+1/2	20	0	17717	1650	17717	1500

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 Drill cuttings will either be hauled off site by a licensed third party transporter to be re-used by land application on COGCC approved land-farms, or recycled and re-used on location using Bio-Remediation. See attached Waste Management Plan. A Form 4 Sundry will be filed once a disposal method is decided. If land spreading is utilized, then a signed Surface Owner agreement will be submitted with the Form 4 Sundry.

Nearest permitted or existing wellbore penetrating objective formation is Meader 3.

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: Jennifer Grosshans

Title: Regulatory Analyst Date: 9/1/2015 Email: regulatory@petro-fs.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: 10/12/2015

Expiration Date: 10/11/2017

**API NUMBER**

05 123 42263 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>
	<p>1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU for the first well activity with a rig on the pad and provide 48 hour spud notice for all subsequent wells drilled on the pad.</p> <p>2) Comply with Rule 317.j and provide cement coverage from TD to a minimum of 200' above the Niobrara. Verify coverage with cement bond log.</p> <p>3) Oil based drilling fluid is to be used only after all aquifers are covered.</p>
	<p>Operator acknowledges the proximity of the listed non-producing well(s). Operator agrees to provide mitigation Option 3 (per the DJ Basin Horizontal Offset Policy), ensure all applicable documentation is submitted, and submit Form 42(s) ("OFFSET MITIGATION COMPLETED") for the remediated well(s), referencing the API Number of the proposed horizontal well(s) stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.</p> <p>UPRR Peters #1-33 (API #123-10395)</p>

## Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Pre-Construction	<p>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.</p> <p>Identification of plugged and abandoned wells will be identified pursuant to 319.a.(5)</p>
2	General Housekeeping	<p>Visual Impacts: Equipment, regardless of construction date, which are observable from any public highway shall be painted with uniform, non-contrasting, non-reflective color tones (similar to the Munsell Soil Color Coding System), and with colors matched to, but slightly darker than, the surrounding landscape.</p>
3	Dust control	<p>Operator shall employ practices for control of fugitive dust caused by their operations. Such practices shall include but are not limited to the use of speed restrictions, regular road maintenance, restriction of construction activity during high- wind days, and silica dust controls when handling sand used in hydraulic fracturing operations. Additional management practices such as road surfacing, wind breaks and barriers may be used.</p>
4	Emissions mitigation	<p>805.b.(3)A. Green completion practices are not required for this area as it is considered exploratory. If it is determined that the wells will produce gas in economic quantities, then Extraction will negotiate with nearby midstream operators to connect to their gas sales line.</p>
5	Odor mitigation	<p>Equipment shall be operated in such a manner that odors and dust do not constitute a nuisance or hazard to public welfare.</p>

6	Drilling/Completion Operations	<p>A closed –loop system will be used for drilling operations.</p> <p>Blowout Prevention Equipment (“BOPE”): A double ram and annular preventer will be used during drilling. Stabbing valves shall be installed in the event of reverse circulation and shall be prior tested with low and high pressure fluid.</p> <p>Bioremediation of Drill Cuttings</p> <p>1. Mixing and Treatment:</p> <p>A. All cuttings shall be mixed on location</p> <p>B. Cuttings shall be mixed with additives. The amount of additives shall be determined based on laboratory analysis of untreated cuttings.</p> <p>C. Mixing shall be performed with equipment to ensure contact between the cuttings and additives</p> <p>D. Additives</p> <p>i. CMC – polymer absorbent, non-toxic, non-hazardous</p> <p>ii. Oppenheimer Piranha – bioremediation of hydrocarbons</p> <p>iii. Water soluble calcium – chemical reduction of SAR</p> <p>2. Stockpile Management:</p> <p>A. Treated, solidified cuttings shall be stored on location in individual well stockpiles. One stockpile per well. Each stockpile shall be marked with the name of the well.</p> <p>B. Stockpiles shall be windrows with a height as tall as practical. Taller windrows aid in the retention of warmth increasing microbial activity</p> <p>C. Leachate shall be managed by absorbent material. The inherent properties of CMC reduces leachate levels of TDS to below standards based on laboratory analysis.</p> <p>D. An earthen berm, one foot in height, shall be constructed around the stockpile(s) to minimize storm water runoff</p> <p>E. As the solidified cuttings dry, a protective crust layer will form on the surface of the stockpile. This crust layer helps retain moisture and heat within the stockpile while also protecting the native landscape from windborne contaminated particulate. Care shall be taken by the Operator and all contractors to minimize stockpile disturbance until a properly trained soil sampling technician visits the site.</p> <p>3. Sampling &amp; Testing:</p> <p>A. The stockpile of treated cuttings will be sampled and tested according to standard laboratory and sampling protocols and COGCC table 910-1. Stockpiles will be sampled in increments no greater than 100 cubic yards. Ten samples shall be taken from each segment of the stockpile of treated drill cuttings, mixed and then one composite sample will be used for testing. Samples will be taken from the stockpile in such as way as to preserve any potential volatile organic compounds. Ten random samples shall be taken of the stockpile of subsoil for use as a source for background data.</p> <p>B. After the cuttings have achieved the threshold limits specified in table 910-1, the treated material will be thin spread on the well site and incorporated into the reclamation fill material.</p> <p>A permanent record of the laboratory analysis shall be maintained by the Operator.</p>
7	Drilling/Completion Operations	<p>One of the first wells drilled on the pad will be logged with openhole Resistivity Log and Gamma Ray Log from the kick-off point into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. The Form 5, Completion Report, for each well on the pad will list all logs run and have those logs attached. The Form 5 for a well without open-hole logs shall clearly state “No open-hole logs were run” and shall clearly identify (by API#, well name &amp; number) the well in which openhole logs were run.</p>
8	Final Reclamation	<p>Within 90 days subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site. The Operator shall restore the surface of the Land affected by such terminated operations as near as possible to the previous state that existed prior to operations.</p>

Total: 8 comment(s)

### **Applicable Policies and Notices to Operators**

Notice Concerning Operating Requirements for Wildlife Protection.

## Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400863649	FORM 2 SUBMITTED
400883458	OffsetWellEvaluations Data
400883480	WELL LOCATION PLAT
400883496	DIRECTIONAL DATA
400883506	DEVIATED DRILLING PLAN
400896358	SURFACE AGRMT/SURETY

Total Attach: 6 Files

## General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	10/8/2015 9:53:08 AM
Permit	Pass completeness	9/11/2015 10:00:59 AM
Permit	Returned to draft. Missing Surface Use Agreement.	9/7/2015 2:34:33 PM

Total: 3 comment(s)