

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:
400953870
(SUBMITTED)

APPLICATION FOR PERMIT TO:

- Drill Deepen Re-enter Recomplete and Operate

Date Received:

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

Well Name: Battlement Mesa Well Number: 42A-36-795
Name of Operator: CAERUS PICEANCE LLC COGCC Operator Number: 10456
Address: 600 17TH STREET #1600N
City: DENVER State: CO Zip: 80202
Contact Name: Reed Haddock Phone: (720)880-6369 Fax: (303)565-4606
Email: rhaddock@caerusoilandgas.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20130021

WELL LOCATION INFORMATION

QtrQtr: Lot 7 Sec: 36 Twp: 7S Rng: 95W Meridian: 6
Latitude: 39.395695 Longitude: -107.942122
Footage at Surface: 1552 feet FNL/FSL FNL 1616 feet FEL/FWL FEL
Field Name: PARACHUTE Field Number: 67350
Ground Elevation: 8868.5 County: GARFIELD
GPS Data:
Date of Measurement: 12/10/2015 PDOP Reading: 1.9 Instrument Operator's Name: Robert Wood
If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**
Footage at Top of Prod Zone: FNL/FSL FNL 1466 FEL/FWL 220 Bottom Hole: FNL/FSL FNL 1466 FEL/FWL 220
Sec: 36 Twp: 7S Rng: 95W Sec: 36 Twp: 7S Rng: 95W

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.)

Sec. 36, T7S-R95W: Lots 6, 7, 8, 9, 10, 11, 15, and 16. The distance from completed portion of wellbore to nearest lease line was measured to the north line of Lot 8.

Total Acres in Described Lease: 240 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: 210 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 4208 Feet
Building Unit: 5280 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 2519 Feet
Public Road: 2394 Feet
Above Ground Utility: 4198 Feet
Railroad: 5280 Feet
Property Line: 1177 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 proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 280 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 220 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

Sec. 36, T7S-R95W

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 | 139-53 | 640 | All - Sec. 36 |

DRILLING PROGRAM

Proposed Total Measured Depth: 10168 Feet

Distance from proposed wellbore to nearest existing or permitted wellbore belonging to another operator:

10824 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:

Waste Management Plan attached to Form 2A.

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 | 30 | 20 | 52.8# | 0 | 60 | 131 | 60 | 0 |
| SURF | 14+3/4 | 9+5/8 | 36# | 0 | 2500 | 623 | 2500 | 0 |
| 1ST | 8+3/4 | 4+1/2 | 11.6# | 0 | 10168 | 919 | 10168 | 5672 |

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: 324300

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: Reed Haddock

Title: Sr. Regulatory Specialist Date: _____ Email: rhaddock@caerusoilandgas.co

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

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

Best Management Practices

| No | BMP/COA Type | Description |
|----|--------------------------------|---|
| 1 | Planning | In compliance with Rule 317.p the first well that is operationally feasible on the Battlement Mesa 36G-795 pad will be logged with an open-hole Resistivity Log and Gamma Ray Log from TD into the surface casing. All wells on the pad will have a Cement Bond Log with cased-hole Gamma Ray run on the production casing. The Form 5 Completion Report will list all the logs run in the subject well and identify the well that was logged with the open-hole Resistivity Log. |
| 2 | Drilling/Completion Operations | Caerus Operating LLC will adhere to the COGCC Policy for Bradenhead Monitoring effective May 29, 2012. |

Total: 2 comment(s)

Attachment Check List

| Att Doc Num | Name |
|--------------------|------------------------|
| 400978620 | DEVIATED DRILLING PLAN |
| 400978622 | DIRECTIONAL DATA |
| 400981409 | WELL LOCATION PLAT |
| 400981410 | TOPO MAP |

Total Attach: 4 Files

General Comments

| User Group | Comment | Comment Date |
|-------------------|----------------|---------------------|
| | | |

Total: 0 comment(s)

