

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.)

T1S-R66W Section 36: All

Total Acres in Described Lease: 640 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # 68-5600S

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 500 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1045 Feet

Building Unit: 1190 Feet

High Occupancy Building Unit: 4210 Feet

Designated Outside Activity Area: 5022 Feet

Public Road: 272 Feet

Above Ground Utility: 254 Feet

Railroad: 5280 Feet

Property Line: 295 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: 261 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 500 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.)
NIOBRARA	NBRR	407-800	640	ALL

DRILLING PROGRAM

Proposed Total Measured Depth: 12240 Feet

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

127 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: Land application

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Beneficial reuse

Other Disposal Description:

Mud and Cuttings will be hauled to Krier Spreadfield

Beneficial reuse or land application plan submitted? Yes

Reuse Facility ID: 436891 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	65	0	60	50	60	0
SURF	13+1/2	9+5/8	36	0	1550	430	1550	0
1ST	8+3/4	7	26	0	8000	670	8000	600
1ST LINER	6+1/8	4+1/2	11.6	7200	12240			

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 There are no changes to the surrounding land use and there are no changes to the well construction plan. The mineral lease description upon which the proposed wellsite is located has not changed. The pad has not been built.

This application is in a Comprehensive Drilling Plan No CDP #: _____

Location ID: 435515

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: Mary Pobuda

Title: Permit Analyst Date: 11/11/2015 Email: mpobuda@billbarrettcorp.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: 2/7/2016

Expiration Date: 02/06/2018

API NUMBER
05 001 09794 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>Operator acknowledges the proximity of the listed non-operated wells. Operator assures that this offset list will be remediated per the DJ Basin Horizontal Offset Policy (option 3 or 4). Operator will submit a Form 42 ("OFFSET MITIGATION COMPLETED") stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well. Operator will provide proof of cement.</p> <p>BOX ELDER FARMS 41-1 3 API # 001-06885</p>
	<p>Operator acknowledges the proximity of the listed wells. Operator agrees to: provide mitigation option 1 or 2 (per the DJ Basin Horizontal Offset Policy) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OFFSET MITIGATION COMPLETED") stating that appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.</p> <p>STATE A #3 API # 001-06805; STATE A #4 API # 001-06810; STATE A #6 API # 001-06834</p>
	<p>1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU. 2) Comply with Rule 317.j and provide cement coverage from end of 7" casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.</p>

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	"Anti-collision Mitigation: Prior to drilling operations, Operator will perform a risk analysis of the potential for subsurface collision with existing offset wells within close proximity of the proposed well, taking into consideration the possibility of well path drift for both the existing and proposed wells. Where inclination, MWD or gyro surveys of the offset wells are available, or can be reasonably obtained by the operator, such surveys shall be incorporated in the risk analysis, taking into account survey instrument margin of error. Commission engineering staff shall review and approve the collision risk analysis prior to issuing an approved permit to drill, subject to the operator's right to appeal to the Director or the Commission. For the proposed well, upon conclusion of drilling operations, an as-constructed final directional survey will be submitted to the COGCC with the Form 5."
2	Drilling/Completion Operations	BBC will adhere to the COGCC Policy for Bradenhead Monitoring effective 5/29/12.
3	Drilling/Completion Operations	"One of the first wells drilled on the pad will be logged with open-hole 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 & number) the well in which open-hole logs were run."

Total: 3 comment(s)

Applicable Policies and Notices to Operators

Policy
Notice Concerning Operating Requirements for Wildlife Protection. http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf
Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area. http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400934042	FORM 2 SUBMITTED
400934046	OffsetWellEvaluations Data
400966628	OFFSET WELL EVALUATION
400966631	SURFACE CASING CHECK

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Per operator location has not been built. Added the pad has not been built to comment. No COA added.	2/3/2016 12:53:10 PM
Permit	ON HOLD: w/o operator's approval of Interim reclamation COA.	1/25/2016 3:07:39 PM
Permit	Permitting Review Complete.	1/25/2016 1:03:47 PM
Permit	Open Hole Logging BMP submitted by operator.	1/25/2016 1:03:46 PM
Engineer	Evaluated offset wells within 1500'. Emailed operator 12/30/15.	1/7/2016 2:59:49 PM
LGD	<p>1.The applicant shall obtain a GOW permit for the location and OSL permits for the equipment that will be onsite. The applicant needs to contact Mark Russell at 720-523-6821 for all appropriate permits.</p> <p>2.The use of erosion and sediment control BMPs are required.</p> <p>3.The applicant shall provide accurate Tier II storage tank location information to the Adams County Emergency Management Department.</p> <p>4.Please contact the Adams County Community Economic Development Department to discuss a visual mitigation strategy.</p>	12/1/2015 9:12:56 AM
Permit	Passed completeness.	11/12/2015 8:42:12 AM

Total: 7 comment(s)