

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____	Refiling <input type="checkbox"/>
ZONE TYPE SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input type="checkbox"/>

Date Received:
04/18/2016

Well Name: Youberg Well Number: RU 23-7

Name of Operator: TEP ROCKY MOUNTAIN LLC COGCC Operator Number: 96850

Address: PO BOX 370

City: PARACHUTE State: CO Zip: 81635

Contact Name: VICKI SCHOEBER Phone: (970)263-2721 Fax: ()

Email: VICKI.SCHOEBER@WPXENERGY.COM

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 20160057

WELL LOCATION INFORMATION

QtrQtr: SENW Sec: 7 Twp: 7S Rng: 93W Meridian: 6

Latitude: 39.456926 Longitude: -107.819738

Footage at Surface: 2018 feet FNL/FSL FNL 1890 feet FEL/FWL FWL

Field Name: RULISON Field Number: 75400

Ground Elevation: 7338 County: GARFIELD

GPS Data:
Date of Measurement: 12/10/2008 PDOP Reading: 2.9 Instrument Operator's Name: J. Kirkpatrick

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
<u>2256</u>	<u>FSL</u>	<u>1596</u>	<u>2256</u>	<u>FSL</u>	<u>1596</u>
Sec: <u>7</u>	Twp: <u>7S</u>	Rng: <u>93W</u>	Sec: <u>7</u>	Twp: <u>7S</u>	Rng: <u>93W</u>

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.)

T7S-R93W
SEC. 7: LOTS 1 (40.27 NW/4NW/4), 2 (40.21 SW/4NW/4), 3 (40.15 NW/4SW/4), 4 (40.09 SW/4SW/4), E/2W/2
T7S-R94W
SEC. 12 LOTS 1 (37.02 NE/4NE/4), 2 (39.63 NW/4NE/4), 5 (37.56 SE/4NE/4), 6 (37.98 NE/4SE/4), SW/4NE/4, NW/4SE/4

Total Acres in Described Lease: 553 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: 1120 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: 3419 Feet
Above Ground Utility: 2431 Feet
Railroad: 5280 Feet
Property Line: 816 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: 475 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

CA - COC57580 - All of Sec. 7, T7S-R93W, Top MVRD to base of MVRD

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	139-76		

DRILLING PROGRAM

Proposed Total Measured Depth: 9452 Feet

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

3490 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: [X] Annular Preventor [X] Double Ram [X] 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: Cuttings trench

Other Disposal Description:

[Empty text box for Other Disposal Description]

Beneficial reuse or land application plan submitted? No

Reuse Facility ID: or Document Number:

CASING PROGRAM

Table with 8 columns: Casing Type, Size of Hole, Size of Casing, Wt/Ft, Csg/Liner Top, Setting Depth, Sacks Cmt, Cmt Btm, Cmt Top. Rows include CONDUCTOR, SURF, and 1ST.

[] 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 No CDP #: _____

Location ID: 323942

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: Vicki Schoeber

Title: Regulatory Specialist Date: 4/18/2016 Email: vicki.schoeber@wpenergy.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: 6/10/2016

Expiration Date: 06/09/2018

API NUMBER
05 045 23232 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

<u>COA Type</u>	<u>Description</u>
	Approval of this refill APD does not provide relief from compliance with the COGCC Reclamation Rules.
	<p>(1) Operator shall comply with the most current revision of the Northwest Notification Policy.</p> <p>(2) Operator shall comply with the most current revision of the Garfield County Rulison Field Notice to Operators, with the following exception: All field notice requirements specified in that Notice to Operators are superseded by the requirements of the most current revision of the Northwest Colorado Notification Policy (see Condition of Approval #1).</p> <p>(3) Operator shall comply with the most current revision of the Mamm Creek Field Notice to Operators, with the following exception: All field notice requirements specified in that Notice to Operators are superseded by the requirements of the most current revision of the Northwest Colorado Notification Policy (see Condition of Approval #1).</p> <p>(4) Operator shall comply with the Notice to Operators Drilling Wells in the Buzzard, Mamm Creek, and Rulison fields, Garfield County and Mesa County – Procedures and Submittal Requirements for Compliance with COGCC Order Nos. 1-107, 139-56, 191-22, and 369-2 (July 8, 2010).</p> <p>(5) Operator shall provide cement coverage from the production casing shoe (4+1/2" first string) to a minimum of 500' above the Lower Wasatch (as defined by COGCC in the report "Casing and Cement Standards for Geologic Isolation Piceance Basin Bradenhead Monitoring Area and Nearby Fields," dated April 18, 2016, COGCC Document No. 2056199, Appendix A Field Scout Cards and Annotated Type Logs) to provide isolation of all Mesaverde Group and underlying formations, if penetrated, the Ohio Creek Formation, and the lower portion of the Wasatch Formation. Verify production casing cement coverage with a cement bond log.</p>

Best Management Practices

No	BMP/COA Type	Description
1	Planning	<ul style="list-style-type: none"> * Maximize the utility of surface facilities by developing multiple wells from a single pad (directional drilling), and by co-locating multipurpose facilities (for example, well pads and compressors) to avoid unnecessary habitat fragmentation and disturbance of additional geographic areas. * Locate roads outside of drainages where possible and outside of riparian habitat. * Minimize the number, length, and footprint of oil and gas development roads * Use existing roads where possible * Combine and share roads to minimize habitat fragmentation * Maximize the use of directional drilling to minimize habitat loss/fragmentation * Maximize use of long-term centralized tank batteries to minimize traffic * Maximize use of remote completion/frac operations to minimize traffic * Maximize use of remote telemetry for well monitoring to minimize traffic
2	Drilling/Completion Operations	<ul style="list-style-type: none"> * WPX will run triple-combo open hole logs from well TD up to base of surface casing on one of the first wells drilled on a multi-well pad. Remaining wells on the pad will be logged with either cased hole pulsed neutron or triple-combo open hole. Every well will also have a CBL log from well TD up through well surface. Form 5 Completion Reports will identify wells on the pad with triple-combo open hole logs.
3	Drilling/Completion Operations	<ul style="list-style-type: none"> * Use centralized hydraulic fracturing operations. * Install and maintain adequate measures to exclude all types of wildlife (e.g., big game, birds, and small rodents) from all fluid pits (e.g., fencing, netting, and other appropriate exclusion measures). * Conduct well completions with drilling operations to limit the number of rig moves and traffic.
4	Interim Reclamation	<ul style="list-style-type: none"> * WPX Energy will use certified, weed free grass hay, straw, hay or other mulch materials used for the reseeding and reclamation of disturbed areas. * Install exclusionary devices to prevent bird and other wildlife access to equipment stacks, vents and openings. * Reduce visits to well-sites through remote monitoring (i.e. SCADA) and the use of multi-function contractors.

Total: 4 comment(s)

Applicable Policies and Notices to Operators

Policy
Mamm Creek Field Area Notice to Operators. http://cogcc.state.co.us/documents/reg/Policies/Mamm%20Creek%20Drilling.pdf
Piceance Rulison Field - Notice to Operators. http://cogcc.state.co.us/documents/reg/Policies/NoticeToOp-20060623-2.pdf
NW Colorado Notification Policy. http://cogcc.state.co.us/documents/reg/Policies/nw_notification_procedures.pdf
Bradenhead Pressure Reporting-Garfield County (Mamm Creek & Rulison Fields) Mesa County (Buzzard Field). http://cogcc.state.co.us/documents/reg/Policies/NTO_07082010.pdf
Notice Concerning Operating Requirements for Wildlife Protection. http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Attachment Check List

Att Doc Num	Name
401026334	FORM 2 SUBMITTED
401026337	SURFACE AGRMT/SURETY
401026747	WELL LOCATION PLAT
401026749	ACCESS ROAD MAP
401027162	DIRECTIONAL DATA
401027164	DEVIATED DRILLING PLAN
401027165	DEVIATED DRILLING PLAN

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Form 2A, Doc 400997666 was aproved as WPX, on 4/29/16 this APD was submitted as new operator. Corrected Plugging Bond from 20030107 (inactive) to 20160057 with operator approval. Corrected distance to nearest wellbore belonging to another operator from 2455' to the Encana Savage 1-44 well at 3490' with operator approval. Readay for final approval.	3/7/2016 9:50:14 AM
Engineer	Removed operator's proposed first string cement top. Operator's proposed first string cement top is not adequate to satisfy COGCC's new cement coverage requirements, effective April 18, 2016. Increase cement coverage accordingly, as specified in Condition of Approval #5.	3/3/2016 2:44:17 PM
Permit	Corrected SHL from 7337.8 to 7338 with operator approval. Added 2A to related documents and notified operator. Ready to pass pending OGLA approval of 2A.	4/21/2016 2:47:09 PM
Engineer	Evaluated existing offset oil and gas wells within 1,500 feet of this wellbore. No mitigation required. Offset water well check: COGCC evaluated offset water wells within one mile of this proposed well's surface hole location. This information was used in addition to locally-available geophysical logs and hydrogeologic information to evaluate the adequacy of the operator's proposed surface casing setting depth. The deepest water well within one mile is 127 feet.	4/21/2016 1:19:33 PM
Permit	Passes completeness. Notified operator that GR elevation should be a whole integer, no decimal places, access road map not needed for APD's, related 2A should be listed on Related Forms Tab.	4/20/2016 9:11:22 AM

Total: 5 comment(s)