

FORM
2

Rev
08/16

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:

401028385

Date Received:

04/20/2016

APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Shull Fed

Well Number: 9-59-31-4441BE2

Name of Operator: CRESCENT POINT ENERGY U.S. CORP

COGCC Operator Number: 10520

Address: 555 17TH STREET SUITE 1800

City: DENVER State: CO Zip: 80202

Contact Name: Lauren MacMillan

Phone: (303)382-6787

Fax: ()

Email: lmacmillan@crescentpointenergy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20150074

WELL LOCATION INFORMATION

QtrQtr: NESW Sec: 31 Twp: 9N Rng: 59W Meridian: 6

Latitude: 40.704623

Longitude: -104.023896

Footage at Surface: 1952 Feet FNL/FSL FSL 1781 Feet FEL/FWL FWL

Field Name: WILDCAT

Field Number: 99999

Ground Elevation: 4880

County: WELD

GPS Data:

Date of Measurement: 02/24/2016 PDOP Reading: 2.7 Instrument Operator's Name: Alec Shull

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

1365 FSL 2140 FEL 1365 FSL 500 FEL
Sec: 31 Twp: 9N Rng: 59W Sec: 32 Twp: 9N Rng: 59W

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.)

NENW, W2NW, E2SW, W2SE, SESE Sec 31 T9N-R59W

Total Acres in Described Lease: 320 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: 3372 Feet

Above Ground Utility: 5280 Feet

Railroad: 5280 Feet

Property Line: 455 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: 300 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 | 535-734 | 960 | S 31: E/2, S 32: All |

DRILLING PROGRAM

Proposed Total Measured Depth: 13568 Feet

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells:

Enter distance if less than or equal to 1,500 feet: 1828 Feet ☐ No well belonging to another operator within 1,500 feet

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? Yes

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?

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 | 65 | 0 | 40 | 100 | 40 | 0 |
| SURF | 12+1/4 | 9+5/8 | 36 | 0 | 1000 | 480 | 1000 | 0 |
| 1ST | 8+3/4 | 7 | 26 | 0 | 6680 | 690 | 6680 | 0 |
| 1ST LINER | 6+1/8 | 4+1/2 | 11.6 | 6530 | 13568 | 525 | 13568 | 6530 |

☐ 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 The SUA is provided for information purposes.

This application is in a Comprehensive Drilling Plan No 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: Lauren MacMillan

Title: Sr Regulatory Specialist Date: 4/20/2016 Email: lmacmillan@crescentpointener

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:  Director of COGCC Date: 9/22/2016

Expiration Date: 09/21/2018

API NUMBER

05 123 43615 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

| | |
|--|---|
| | Bradenhead tests shall be performed and reported according to the following schedule and Form 17 submitted within 10 days of each test.: 1) Within 60 days of rig release and prior to stimulation or 2) If a delayed completion, 6-7 months after rig release and prior to stimulation. 3) Within 30 days after first production, as reported on Form 5A. |
| | 1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU (spud notice) for the first well activity with a rig on the pad and provide 48 hour spud notice via Form 42 for all subsequent wells drilled on the pad. 2) Provide cement coverage to a minimum of 200' above Niobrara. Verify coverage with cement bond log. |

Best Management Practices

No BMP/COA Type

Description

| | | |
|---|--|--|
| 1 | Material Handling and Spill Prevention | Spill Prevention Control and Countermeasures (SPCC) will be in place to address any possible spill associated with Oil & Gas operations throughout the state of Colorado in accordance with CFR 112. |
| 2 | Drilling/Completion Operations | Anti-collision: Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to COGCC with the Form 5. |
| 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

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|----------------------------|
| 1625235 | CORRESPONDENCE |
| 401028385 | FORM 2 SUBMITTED |
| 401032981 | OffsetWellEvaluations Data |
| 401032985 | DIRECTIONAL DATA |
| 401033025 | DEVIATED DRILLING PLAN |
| 401033026 | WELL LOCATION PLAT |
| 401033029 | SURFACE AGRMT/SURETY |

Total Attach: 7 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|---|--------------------------|
| Permit | Final Review Completed. | 9/20/2016 8:00:10 AM |
| Permit | Per operator changed right to construct to Oil & Gas lease. Changed "will minerals be developed" to Yes. Added Spacing Order 535-734 & Unit Configuration. Permitting Review Complete. | 9/19/2016 1:52:30 PM |
| Permit | ON HOLD: requesting correction to Right to construct. | 9/9/2016 2:07:13 PM |
| Permit | Open Hole Logging BMP submitted by operator. | 9/9/2016 2:07:10 PM |
| Permit | Placed ON HOLD: Application for spacing continued to August hearing. | 7/29/2016 1:10:14 PM |
| Permit | Corrected per operator request - salt based drilling fluids will not be used. See doc # 01625235 | 7/11/2016 11:31:34 AM |
| Engineer | Received corrected distance from proposed wellbore to nearest existing or permitted wellbore belonging to another operator: (Including plugged wells): 1828'. | 6/20/2016 1:53:49 PM |
| Engineer | Evaluated existing wells within 1500' of proposed directional. Drilling Program: Distance from proposed wellbore to nearest existing or permitted wellbore belonging to another operator: (Including plugged wells): 1266' does not appear to be correct. Requested revised distance 5/26/16. | 9/9/2016 5:16:23 PM |
| Permit | Passed completeness. | 5/13/2016 1:18:19 PM |

Total: 9 comment(s)