

**APPLICATION FOR PERMIT TO:**

**Drill**       Deepen       Re-enter       Recomplete and Operate

Date Received:

TYPE OF WELL    OIL     GAS     COALBED     OTHER SIDETRACK      Refiling

ZONE TYPE      SINGLE ZONE     MULTIPLE ZONES     COMMINGLE ZONES       Sidetrack

Well Name: Varra      Well Number: 9

Name of Operator: EXTRACTION OIL & GAS LLC      COGCC Operator Number: 10459

Address: 370 17TH STREET SUITE 5300

City: DENVER      State: CO      Zip: 80202

Contact Name: Kamrin Ruder      Phone: (720)9747743      Fax: ( )

Email: kruder@extractionog.com

**RECLAMATION FINANCIAL ASSURANCE**

Plugging and Abandonment Bond Surety ID: 20130028

**WELL LOCATION INFORMATION**

QtrQtr: NWSW    Sec: 5    Twp: 6N    Rng: 67W    Meridian: 6

Latitude: 40.512795      Longitude: -104.923882

Footage at Surface: 1537 Feet    FNL/FSL    FSL    786 Feet    FEL/FWL    FWL

Field Name: WATTENBERG      Field Number: 90750

Ground Elevation: 4873      County: WELD

GPS Data:

Date of Measurement: 03/31/2014    PDOP Reading: 1.9    Instrument Operator's Name: Ben Hardenbergh

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

1001    FSL    460    FWL    810    FSL    460    FEL

Sec: 5    Twp: 6N    Rng: 67W    Sec: 4    Twp: 6N    Rng: 67W

**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.)

TOWNSHIP 6 NORTH, RANGE 67 WEST. 6th PM  
Section 5:

Tract 1- 2.631 acres of land, more or less, Part of the South West Quarter of Section 5, and being more particularly described by metes and bound in that certain Subdivision Exemption No. SE-1089, dated September 18, 2006 as Reception No. 3426214 and further referenced in that certain Warranty Deed dated May 17, 1968 from Harold Varra to Daniel H. Varra and Carolyn S. Varra, as joint tenants, recorded as Reception No. 1516562 of the records of the Weld County Clerk and Recorder, Colorado.

Tract 2- 104.148 acres of land, more or less, Part of the South West Quarter of Section 5, and being more particularly described by metes and bounds as Lot B in Recorded Exemption No. 0807-3-03 RE4305, dated September 18, 2006 as Reception No. 3426215 and further referenced in that certain Quitclaim Deed dated October 20, 2006 from Dan and Carolyn S. Varra to Dan H. Varra, recorded as Reception No. 3428865 of the records of Weld County Clerk and Recorder, Colorado.

Tract 3- 11.665 acres of land, more or less, Part of the South West Quarter of Section 5, and being more particularly described by metes and bounds as Lot B in Recorded Exemption No. 0807-3-03 RE4305, dated September 18, 2006 as Reception No. 3426215 and further referenced in that certain Quitclaim Deed dated October 20, 2006 from Dan and Carolyn S. Varra to Dan H. Varra, recorded as Reception No. 3428865 of the records of Weld County Clerk and Recorder, Colorado.

Total Acres in Described Lease: 118 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: 501 Feet  
Building Unit: 596 Feet  
High Occupancy Building Unit: 5280 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 5470 Feet  
Above Ground Utility: 520 Feet  
Railroad: 5280 Feet  
Property Line: 124 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: 04/17/2014

## 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: 244 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 Feet (Enter 5280 for distance greater than 1 mile.)

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

## SPACING & FORMATIONS COMMENTS

Distance from Completion portion of wellbore to nearest wellbore permitted or completed in the same formation is Varra 5 (API# 05-123-36162).

Niobrara: Proposed Spacing Unit is described as the S2 of Sections 4 and 5.

### 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		640	GWA

### DRILLING PROGRAM

Proposed Total Measured Depth: 17344 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: 244 Feet  No well belonging to another operator within 1,500 feet

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 318A

### DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Other

Other Disposal Description:

Cuttings will be disposed of by land spreading.

Beneficial reuse or land application plan submitted? No

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	1560	565	1560	0
1ST	7+7/8	5+1/2	20	0	17344	1550	17344	1450

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)
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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

We were working tight hole on the Varra 9, we drilled to 16,786' and the shale started to run on us. We tripped back to 14,800' and the hole grabbed us. We backed off where we were able to pump down a charge at 7300' but were unable to get the fish free while waiting on a tractor. We ran the tractor down to 11,800' which was as far as we could go due to the agitator in the hole. After two attempts to back off the string and place jars the agitator is what broke free and now we are no longer able to fish this string out of the ground.

With your permission we would like to leave the fish in the ground and sidetrack around it. There are no nuclear sources in the ground or LWD tools. Just a standard BHA and drill pipe.

Please call my Cell with any questions or concerns  
 API # - 05-12-39986-00  
 Total MD Drilled – 16,786'  
 Surface Casing – 9-5/8" 36# set at 1560'  
 Proposed Fish – Yes from 11,800' to 14,826'  
 Open hole sidetrack plan: Side track at 9,200' and change targets to avoid shale and fish  
 Depth of Sidetrack- 9,200' MD  
 Objective formation of sidetrack – Niobrara (same as APD)  
 Proposed BHL – Sec 4 – TWP 6N 67W 810 FSL 460 FEL (same as approved sundry)

E-mail approval given by Diana Burn on 11/4/2016

This application is in a Comprehensive Drilling Plan \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: 430411

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: Kamrin Ruder

Title: Drilling Technician Date: \_\_\_\_\_ Email: kruder@extractionog.com

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: \_\_\_\_\_

<b>API NUMBER</b>
05 123 39986 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**

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## Best Management Practices

**No BMP/COA Type**

**Description**

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## Attachment Check List

**Att Doc Num**

**Name**

401144059	WELLBORE DIAGRAM
401144063	CORRESPONDENCE

Total Attach: 2 Files

## General Comments

**User Group**

**Comment**

**Comment Date**

		Stamp Upon Approval
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Total: 0 comment(s)

**Public Comments**

No public comments were received on this application during the comment period.

