

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 _____ ZONE TYPE SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Refiling <input checked="" type="checkbox"/> Sidetrack <input type="checkbox"/>
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Date Received:
09/16/2016

Well Name: WPX GM Well Number: 728-34-33-HN1

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: VSCHOEBER@TERRAEP.COM

RECLAMATION FINANCIAL ASSURANCE
 Plugging and Abandonment Bond Surety ID: 20160057

WELL LOCATION INFORMATION

QtrQtr: Lot 11 Sec: 28 Twp: 6S Rng: 96W Meridian: 6
 Latitude: 39.491414 Longitude: -108.115748

Footage at Surface: <u>1272</u> Feet	FNL/FSL	FEL/FWL
<u>FSL</u> <u>2053</u> Feet	<u>FSL</u>	<u>FWL</u>

Field Name: GRAND VALLEY Field Number: 31290
 Ground Elevation: 5457 County: GARFIELD

GPS Data:
 Date of Measurement: 03/05/2013 PDOP Reading: 2.6 Instrument Operator's Name: J. KIRKPATRICK

If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: <u>613</u> Feet	FNL/FSL	FEL/FWL	Bottom Hole: <u>197</u> Feet	FNL/FSL	FEL/FWL
<u>FSL</u> <u>2003</u> Feet	<u>FSL</u>	<u>FEL</u>	<u>FSL</u> <u>1961</u> Feet	<u>FSL</u>	<u>FEL</u>

Sec: 28 Twp: 6S Rng: 96W Sec: 33 Twp: 6S Rng: 96W

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.)

Oil & Gas Lease and map are already in COGCC well files. COGCC requested that the attachments be removed since they are already on file.

Total Acres in Described Lease: 33 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: 2051 Feet
 Building Unit: 2161 Feet
 High Occupancy Building Unit: 5280 Feet
 Designated Outside Activity Area: 5280 Feet
 Public Road: 855 Feet
 Above Ground Utility: 224 Feet
 Railroad: 5280 Feet
 Property Line: 254 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: 1314 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 301 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Exploratory Drilling Unit Configuration: Section 28: Lots 5-13, S2NW4, NE4SW4; Section 33: All CA - COC77665; Top of Mancos to base of Dakota

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	547-9	1132	SEC 28 & 23

DRILLING PROGRAM

Proposed Total Measured Depth: 17014 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: _____ 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? 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: OFFSITE Drilling Fluids Disposal Methods: Recycle/reuse

Cuttings Disposal: ONSITE Cuttings Disposal Method: Cuttings trench

Other Disposal Description:

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	20	52.7	0	80	30	80	0
SURF	17+1/2	13+3/8	68	0	2693	888	2693	0
1ST	13+3/8	9+5/8	47	0	10015	1244	10015	3768
S.C. 1.1	13+3/8	9+5/8	47	0	3768	481	3768	1693
2ND	7+7/8	5+1/2	23	0	17014	640	17014	9015

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 permit refill is to allow for changes in the TEP Rocky Mountain LLC drilling schedule. No changes have been made to the surface hole location, bottomhole location, lease description or surface use since the original permit was issued.

Please note: The end of completions is 301' FSL as noted on the well location plat on file.

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

Location ID: 335318

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: 9/16/2016 Email: VSCHOEBER@TERRAEP.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: 12/27/2016

Expiration Date: 12/26/2018

API NUMBER
05 045 22525 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

	If conductors are preset, operator shall comply with Notice to Operators: Procedures for Preset Conductors (dated September 1, 2016, revised October 6, 2016).
	1) Operator shall comply with the most current revision of the Northwest Notification Policy. See attached notice. 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). 3) Operator shall provide cement coverage from the intermediate casing shoe (9+5/8" First String) to a minimum of 200' above all Mesa Verde Group (and Ohio Creek Formation, if present) oil, gas, and water-bearing sandstone and coalbed formations. Verify intermediate casing cement coverage with a cement bond log. 4) The operator's planned top of cement for the production casing string at about 1000' above the intermediate casing shoe is acceptable.

Best Management Practices

No BMP/COA Type

Description

1	Drilling/Completion Operations	TEP will run triple-combo open hole logs in the vertical section of Niobrara wells from KOP to base of surface casing on at least one well per pad location. CBL log will also be run from KOP up to surface. MWD/LWD logs with GR will be run for the lateral portion of the wells. Form 5 Completion Reports will identify wells with open hole logs.
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Total: 1 comment(s)

Applicable Policies and Notices to Operators

Policy
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
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

401110001	FORM 2 SUBMITTED
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Total Attach: 1 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected TOPZ 2003' is FEL not FWL and notified operator. Final review complete.	12/22/2016
Permit	There is no change in the drilling and waste program from original approved APD.	10/28/2016
LGD	Pass, KHW	10/10/2016
Engineer	<p>Offset Well Evaluation: Existing offset oil and gas wells within 1,500 feet of this wellbore are shallow offsets. No mitigation required. Offset well evaluation data submitted with original Form 2 is in the well file.</p> <p>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 120 feet.</p> <p>Distance to nearest existing or proposed wellbore belonging to another operator, including plugged wells: Plan view distance from the lateral portion of this well is less than 1,500 feet to plugged and abandoned well Unocal/Federal #GR 1-33 SH (API #045-06805, Barrett Resources Corp) which was drilled to a depth of 5698'. The total vertical depth of the lateral is deeper than 10,000 feet so the separation is greater than 4,000'.</p>	09/29/2016
Permit	Passes completeness.	09/22/2016
Permit	Returned to draft: delete lease map and lease attachments; already in well file	09/22/2016

Total: 6 comment(s)