

**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

Date Received:  
01/24/2017

Well Name: BR C-240      Well Number: 32B-24-2-98

Name of Operator: URSA OPERATING COMPANY LLC      COGCC Operator Number: 10447

Address: 1050 17TH STREET #1700

City: DENVER      State: CO      Zip: 80265

Contact Name: JENNIFER LIND      Phone: (720)508-8362      Fax: ( )

Email: JLIND@URSARESOURCES.COM

**RECLAMATION FINANCIAL ASSURANCE**  
Plugging and Abandonment Bond Surety ID: 20120125

**WELL LOCATION INFORMATION**

QtrQtr: SESE      Sec: 24      Twp: 2S      Rng: 98W      Meridian: 6

Latitude: 39.856255      Longitude: -108.338763

Footage at Surface: 634 Feet      FNL/FSL      FSL      1291 Feet      FEL/FWL      FEL

Field Name: SULPHUR CREEK      Field Number: 80090

Ground Elevation: 6302      County: RIO BLANCO

GPS Data:  
Date of Measurement: 12/21/2016    PDOP Reading: 1.2    Instrument Operator's Name: HOFFMANN

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>2062</u>                  | FNL            | <u>2162</u>     | FEL            | <u>2062</u>    | FNL             |
|                              |                |                 |                |                | <u>2162</u>     |
|                              |                |                 |                |                | FEL             |
| Sec: <u>24</u>               | Twp: <u>2S</u> | Rng: <u>98W</u> | Sec: <u>24</u> | Twp: <u>2S</u> | Rng: <u>98W</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: No

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.)

FEDERAL LEASE COC03453 COVERING PORTIONS OF T2S-R98W, SECTIONS 12, 13, 23, 24 AND T2S-R97W, SECTION 18.  
PLEASE SEE ATTACHED LEASE MAP.

Total Acres in Described Lease: 2371 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # COC03453

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 2176 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 3123 Feet  
Building Unit: 5280 Feet  
High Occupancy Building Unit: 5280 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 715 Feet  
Above Ground Utility: 503 Feet  
Railroad: 5280 Feet  
Property Line: 634 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: 328 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

ORDER 527-12 SPACES ALL OF SECTION 13, NENE, S/2NE & N/2S/2 OF SECTION 23 AND N/2 OF SECTION 24 TO 10 ACRE DENSITY, COMPRISING THE UNIT SIZE OF APPROX. 1204.22 ACRES.

## 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-ILES     | WFILS          | 527-12                  |                               |                                      |

## DRILLING PROGRAM

Proposed Total Measured Depth: 11583 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 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? 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: Beneficial reuse

Other Disposal Description:

PLEASE SEE WASTE MANAGEMENT PLAN ATTACHED TO ASSOCIATED FORM 2A

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             | 55    | 0             | 60            | 111       | 60      | 0       |
| SURF        | 12+1/4       | 9+5/8          | 36    | 0             | 3939          | 633       | 3939    | 0       |
| 1ST         | 8+3/4        | 4+1/2          | 11.6  | 0             | 11583         | 1166      | 11583   |         |

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 First String / Production cement will be > 500 feet above TOG. Distance to nearest well completed in the same formation / permitted or existing well penetrating objective formation was measured to the proposed BR C-24O 32A-24-2-98. Distance to the nearest well completed in the same formation / permitted or existing well belonging to another operator was measured at 1770' to the WPX - Federal 298-24-2 (API 05-103-10986).

This well is being proposed from an existing pad on Ursa-owned surface. The proposed well will BHL on federal minerals. Pre-application notifications were not required as all Surface owners within 1000' are Ursa or Federal and there are no building units located within 1000' of the pad location. Ursa will be pursuing Federal APDs for the proposed C-24O wells concurrently with this application.

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

Location ID: 335678

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: JENNIFER LIND

Title: REGULATORY ANALYST Date: 1/24/2017 Email: JLIND@URSARESOURCES.C

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                |

### 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> |
|-----------------|--------------------|
|                 |                    |

## Best Management Practices

| <u>No</u> | <u>BMP/COA Type</u>            | <u>Description</u>  |
|-----------|--------------------------------|---|
| 1         | 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 TD 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 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 openhole logs were run. |

Total: 1 comment(s)

### Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u>            |
|--------------------|------------------------|
| 401191221          | FORM 2 SUBMITTED       |
| 401191604          | DEVIATED DRILLING PLAN |
| 401191605          | DIRECTIONAL DATA       |
| 401191607          | LEASE MAP              |
| 401199550          | WELL LOCATION PLAT     |

Total Attach: 5 Files

### General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
|                   |                | Stamp Upon Approval |

Total: 0 comment(s)

**Public Comments**

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

