

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Date Received:

TYPE OF WELL OIL GAS COALBED OTHER _____

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refilling
Sidetrack

Well Name: FEDERAL Well Number: RGU 11-1-298

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: _____

WELL LOCATION INFORMATION

QtrQtr: SWNW Sec: 1 Twp: 2S Rng: 98W Meridian: 6

Latitude: 39.908974 Longitude: -108.347973

Footage at Surface: FNL/FSL FEL/FWL
1287 Feet FNL 740 Feet FWL

Field Name: SULPHUR CREEK Field Number: 80090

Ground Elevation: 6625 County: RIO BLANCO

GPS Data:
Date of Measurement: 10/24/2014 PDOP Reading: 2.5 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
161 FNL 538 FWL 161 FNL 538 FWL

Sec: 1 Twp: 2S Rng: 98W Sec: 1 Twp: 2S Rng: 98W

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.)

T2S R98W

SEC. 1: LOTS 22 (35.45, NW/4NE/4), 23 (36.27, NE/4NW/4), 24 (35.09, NW/4NW/4) 25 (35.59, SW/4NW/4) 26 (36.77, SE/4NW/4) 27 (32.23, SW/4NE/4), 30 (25.99, NW/4SE/4), 31 (33.12, NE/4SW/4), 32 (34.50, NW/4SW/4), 33 (34.96, SW/4SW/4), 34 (33.58, SE/4SW/4) 35 (23.25, SW/4SE/4) [W/2, W/2E/2]

SEC. 2: LOTS 14 (36.06, NW/4SE/4), 21 (35.11, NE/4NE/4), 22 (35.81, NW/4NE/4), 23 (36.13, NE/4NW/4), 24 (36.82, NW/4NW/4), 25 (36.92, SW/4NW/4), 26 (36.21, SE/4NW/4), 27 (36.26, SW/4NE/4) 28 (35.54, SE/4NE/4), 29 (35.52, NE/4SE/4), 30 (35.83, NE/4SW/4), 31 (36.36, NW/4SW/4), 32 (37.00, SW/4SW/4), 33 (36.47, SE/4SW/4), 34 (36.37, SW/4SE/4), 35 (35.83, SE/4SE/4) [ALL]

Total Acres in Described Lease: 975 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # COC60736

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 161 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: 2973 Feet
Above Ground Utility: 4584 Feet
Railroad: 5280 Feet
Property Line: 3524 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: 325 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 4575 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): RYAN GULCH UNIT Unit Number: COC68239X

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.)
ILES	ILES			
SEGO	SEGO			
WILLIAMS FORK	WMFK			

DRILLING PROGRAM

Proposed Total Measured Depth: 12325 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	30	18	48	0	80	50	80	0
SURF	14+3/4	9+5/8	36	0	3639	1323	3639	0
1ST	8+3/4	4+1/2	11.6	0	12325	1298	12325	7240

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.

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

Location ID: 335873

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: _____ Email: VSCHOEBER@TERRAEP.CO

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: _____

API NUMBER
05 103 12262 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.

<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	TEP 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.

Total: 1 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>

Total Attach: 0 Files

General Comments

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

Total: 0 comment(s)

SUBMITTED

Public Comments

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

