

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

TYPE OF WELL OIL <input checked="" type="checkbox"/> GAS <input 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 type="checkbox"/> Sidetrack <input type="checkbox"/>
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Date Received:
12/20/2016

Well Name: Kunsemilller Well Number: 5-61-20-0801B2B
 Name of Operator: BARRETT CORPORATION* BILL COGCC Operator Number: 10071
 Address: 1099 18TH ST STE 2300
 City: DENVER State: CO Zip: 80202
 Contact Name: Matt Barber Phone: (303)312-8188 Fax: (303)291-0420
 Email: mbarber@billbarrettcorp.com

RECLAMATION FINANCIAL ASSURANCE
 Plugging and Abandonment Bond Surety ID: 20040060

WELL LOCATION INFORMATION
 QtrQtr: NWNW Sec: 21 Twp: 5N Rng: 61W Meridian: 6
 Latitude: 40.391092 Longitude: -104.222592
 Footage at Surface: 1006 Feet FNL 300 Feet FWL
FNL/FSL FEL/FWL
 Field Name: WATTENBERG Field Number: 90750
 Ground Elevation: 4635 County: WELD
 GPS Data:
 Date of Measurement: 10/27/2015 PDOP Reading: 1.3 Instrument Operator's Name: Chad Meiers
 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
 1 FNL 500 FEL 1 FNL 500 FWL
 Sec: 20 Twp: 5N Rng: 61W Sec: 19 Twp: 5N Rng: 61W

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: Surface Use Agreement
 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.)

See attached lease map.

Total Acres in Described Lease: 3845 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: 4964 Feet
 Building Unit: 4964 Feet
 High Occupancy Building Unit: 5280 Feet
 Designated Outside Activity Area: 5280 Feet
 Public Road: 282 Feet
 Above Ground Utility: 328 Feet
 Railroad: 5280 Feet
 Property Line: 300 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: 405 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

GWA PSU (640 acres) T5N-R61W, 6th P.M. Section 17-S2S2, Section 18-S2S2, Section 19-N2N2, Section 20-N2N2

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: 16169 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: 405 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 318A

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Recycle/reuse

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Beneficial reuse

Other Disposal Description:

Beneficial reuse or land application plan submitted? Yes

Reuse Facility ID: 441079 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
SURF	13+1/2	9+5/8	36	0	800	397	800	0
1ST	8+3/4	7	26	0	6554	660	6554	600
1ST LINER	6+1/8	4+1/2	11.6	5900	16169	682	16169	5900

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

Distance to the nearest completed portion of the wellbore in the same formation and nearest existing or proposed wellbore belonging to another operator were measured utilizing COGCC's GIS Online mapper and BBC's offset well evaluation.

Distance to the nearest existing or proposed wellbore belonging to another operator is 405' Pronghorn #31-34-17HZ (Status: PR; API # 05-123-33331 - BONANZA CREEK)

Kunsemiller 5-61-20-0801B2B PSU request attached

The surface owners have signed a Rule 318A.a Surface Location Exception & 318A.c Twinning Location Exception waivers (attached).

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: Matt Barber

Title: Sr. Permit Analyst Date: 12/20/2016 Email: mbarber@billbarrettcorp.com

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: 2/27/2017

Expiration Date: 02/26/2019

API NUMBER
05 123 44296 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>
	<p>Bradenhead tests shall be performed and reported according to the following schedule and Form 17 submitted within 10 days of each test:</p> <ol style="list-style-type: none"> 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.
	<ol style="list-style-type: none"> 1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU (Spud Notice), for the first well/activity on the pad and provide 48 hour spud notice for all subsequent wells drilled on the pad. 2) Comply with Rule 317.j and provide cement coverage from the end of production casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
	<p>Operator acknowledges the proximity of the listed non-operated wells: Operator agrees to: provide mitigation option 3 (per the DJ Basin Horizontal Offset Policy) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OFFSET MITIGATION COMPLETED") for the remediated wells, referencing the API number of the proposed horizontal well(s) stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of these wells.</p> <p>MCPHERSON 3 (API NO 123-05179)</p>

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	BBC will adhere to the COGCC Policy for Bradenhead Monitoring effective 5/29/12.
2	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: 2 comment(s)

Applicable Policies and Notices to Operators

Policy
<p>Notice Concerning Operating Requirements for Wildlife Protection. http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf</p>

Attachment Check List

Att Doc Num	Name
1176070	ANTI-COLLISION REPORT
401137369	FORM 2 SUBMITTED
401138405	OffsetWellEvaluations Data
401139342	DEVIATED DRILLING PLAN
401139344	DIRECTIONAL DATA
401139348	EXCEPTION LOC WAIVERS
401139349	EXCEPTION LOC REQUEST
401140083	MINERAL LEASE MAP
401140785	WELL LOCATION PLAT
401152268	PROPOSED SPACING UNIT
401170669	SURFACE AGRMT/SURETY
401220215	OFFSET WELL EVALUATION

Total Attach: 12 Files

General Comments

User Group	Comment	Comment Date
Permit	Final Review Completed. Operator corrected distance to nearest well permitted/producing to 405'; this is API 123-33331.	02/21/2017
Permit	Per operator corrected distance to nearest unit boundary from 1' to 500'. Permitting Review Complete.	02/15/2017
Permit	ON HOLD: requesting corrected distance to nearest unit boundary.	02/15/2017
Permit	Open Hole Logging BMP submitted by operator.	02/15/2017
Engineer	Offset Wells Evaluated	01/20/2017
Permit	Checked Attachments.	01/13/2017
Permit	Passed completeness.	12/30/2016
Permit	Deleted duplicate Proposed spacing unit letter (without attached plat) in the Attachments Tab.	12/30/2016

Total: 8 comment(s)