

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 _____	Refilling <input type="checkbox"/>
ZONE TYPE	SINGLE ZONE <input checked="" type="checkbox"/>	MULTIPLE ZONES <input type="checkbox"/>	COMMINGLE ZONES <input type="checkbox"/>		Sidetrack <input type="checkbox"/>

Date Received:
01/06/2017

Well Name: ALMA 1S-66-2524 Well Number: 14CDH

Name of Operator: HRM RESOURCES II LLC COGCC Operator Number: 10548

Address: 410 17TH STREET #1600

City: DENVER State: CO Zip: 80202

Contact Name: PAUL GOTTLÖB Phone: (720)420-5747 Fax: ()

Email: paul.gottlob@iptenergyservices.com

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 20150070

WELL LOCATION INFORMATION

QtrQtr: SWSE Sec: 25 Twp: 1S Rng: 66W Meridian: 6

Latitude: 39.929640 Longitude: -104.721320

Footage at Surface:	<u>287</u>	Feet	FNL/FSL	<u>1889</u>	Feet	FEL/FWL
			FSL			FEL

Field Name: WATTENBERG Field Number: 90750

Ground Elevation: 5181 County: ADAMS

GPS Data:
Date of Measurement: 07/28/2016 PDOP Reading: 1.5 Instrument Operator's Name: BRIAN ROTTINGHAUS

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>70</u>	FSL	<u>1680</u>	<u>2160</u>	FSL	<u>1650</u>
		FWL			FWL
Sec: <u>25</u>	Twp: <u>1S</u>	Rng: <u>66W</u>	Sec: <u>24</u>	Twp: <u>1S</u>	Rng: <u>66W</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: Yes

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.)

All: Section 25-T1S-R66W

Total Acres in Described Lease: 640 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: 1585 Feet

Building Unit: 1585 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 276 Feet

Above Ground Utility: 250 Feet

Railroad: 5280 Feet

Property Line: 247 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: 135 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 491 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Proposed PSU:
W/2 Sec. 25, SW/4 Sec. 24, N/2NW/4 Sec. 36, ALL T1S-R66W

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CODELL	CODL		560	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 15729 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: 660 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: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

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	26	16	43	0	80	400	80	0
SURF	13+1/2	9+5/8	36	0	1500	839	1500	0
1ST	8+1/2	5+1/2	17	0	15729	2823	15729	0

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 The surface owner has waived Rules 318A.a. & 318A.c. in the SUA on p.2, Item # 1.2 which is attached to each APD.

On the Spacing and Formations Tab, Distance from Completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation is to the ALMA 1S-66-2524-13NH: 135'

On the Drilling & Waste Plans tab, Distance from the proposed wellbore to the nearest existing or proposed wellbore belonging to another operator, including plugged wells is to the D G H L 1: 660'

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: PAUL GOTTLOB

Title: Regulatory & Engin. Tech. Date: 1/6/2017 Email: paul.gottlob@iptenergyservices

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: 4/6/2017

Expiration Date: 04/05/2019

API NUMBER

05 001 10019 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>
	1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU for the first well activity with a rig on the pad and provide 48 hour spud notice via Form 42 for all subsequent wells drilled on the pad. 2) Comply with Rule 317.i. and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
	Bradenhead tests shall be performed and reported according to the following schedule and Form 17 submitted within 10 days of each test.: 1) Within 60 days of rig release, prior to stimulation. 2) 6 months after rig release, prior to stimulation. 3) Within 30 days of first production, as reported on Form 5A.
	Operator acknowledges the proximity of the listed non-operated well(s). Operator agrees to: provide mitigation option 1 or 2 (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") stating that appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well. D G H L 1 (API # 001-06457);

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Anti-collision: Operator will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators prior to drilling.
2	Drilling/Completion Operations	Operator acknowledges and will comply with COGCC policy for Bradenhead Monitoring during Hydraulic Fracturing treatments in the Greater Wattenberg Area dated May 29, 2012.
3	Drilling/Completion Operations	317.p 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: 3 comment(s)

Applicable Policies and Notices to Operators

Policy
Notice Concerning Operating Requirements for Wildlife Protection. http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf
Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area. http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf

Attachment Check List

Att Doc Num	Name
401100722	FORM 2 SUBMITTED
401110096	WELL LOCATION PLAT
401110097	PROPOSED SPACING UNIT
401169718	DIRECTIONAL DATA
401169721	DEVIATED DRILLING PLAN
401174378	SURFACE AGRMT/SURETY
401174423	EXCEPTION LOC REQUEST
401179179	OffsetWellEvaluations Data
401253296	OFFSET WELL EVALUATION

Total Attach: 9 Files

General Comments

User Group	Comment	Comment Date
Permit	Final Review Completed.	04/05/2017
Permit	Surface Use Agreement has waivers for Rule 318A.a & 318A.c. See page 2, Section 1.2. Open Hole Logging BMP submitted by operator. Permitting Review Complete.	04/05/2017
Permit	Passed completeness.	01/13/2017

Total: 3 comment(s)