

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 <u>Lateral B</u>	Refiling <input type="checkbox"/>
ZONE TYPE SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input checked="" type="checkbox"/>

Date Received:
07/03/2017

Well Name: State Challenger 5-65 2-3 Well Number: 3BYH

Name of Operator: CONOCO PHILLIPS COMPANY COGCC Operator Number: 19160

Address: P O BOX 2197

City: HOUSTON State: TX Zip: 77252-2197

Contact Name: Jennifer Dixon Phone: (701)264-4041 Fax: ()

Email: jennifer.a.dixon@conocophillips.com

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 20100227

WELL LOCATION INFORMATION

QtrQtr: NWSW Sec: 1 Twp: 5S Rng: 65W Meridian: 6

Latitude: 39.642569 Longitude: -104.618422

Footage at Surface: 1514 Feet FSL 1165 Feet FWL

Field Name: WILDCAT Field Number: 99999

Ground Elevation: 5843 County: ARAPAHOE

GPS Data:
Date of Measurement: 01/16/2017 PDOP Reading: 1.5 Instrument Operator's Name: Dallas Nielsen

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>2166</u>	<u>FSL</u>	<u>2015</u>	<u>2166</u>	<u>FSL</u>	<u>1068</u>
		<u>FEL</u>			<u>FWL</u>
Sec: <u>2</u>	Twp: <u>5S</u>	Rng: <u>65W</u>	Sec: <u>3</u>	Twp: <u>5S</u>	Rng: <u>65W</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: 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.)

Section 1: Lot 1 (79.48), Lot 2 (78.60), S2N2, S2 (ALL), Section 2: Lot 1 (78.23), Lot 2 (78.11), S2N2, S2 (ALL), Section 3: Lot 1 (78.59), and Lot 2 (79.67), S2N2, S2 except 16.4 acres under LT 3364. See attachment labeled "Other" for map of 16.4-acre omission area.

Total Acres in Described Lease: 1897 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # 1960.12

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 1173 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 4075 Feet
Building Unit: 5280 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 1488 Feet
Above Ground Utility: 1506 Feet
Railroad: 5280 Feet
Property Line: 1165 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: 2390 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

Sections 2 & 3 are unspaced; statewide spacing is in effect. Nearest offset well is the State Massive 1H (005-07221). The nearest wellbore is the State Challenger 5-65 2-3 3BYH Lateral A; the 1200' interwell setback does not apply.

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			

DRILLING PROGRAM

Proposed Total Measured Depth: 17847 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? Yes

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: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

Drilling cuttings will be taken by a certified transport company and disposed of at a certified facility.

Beneficial reuse or land application plan submitted? _____

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	20	20	0	100	50	100	0
SURF	17+1/2	13+3/8	54.5	0	2289	1250	2289	0
1ST	12+1/4	9+5/8	47	0	7989	1770	7989	0
1ST LINER	8+1/2	5+1/2	23	7800	17847	600	17847	7800

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 is a planned sidetrack (lateral B) that kicks off from the main vertical portion of the well - State Challenger 5-65 2-3 3BYH. The open hole resistivity with gamma ray logs for this well will be run on Lateral A.

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 451622

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 Dixon

Title: Regulatory Coordinator Date: 7/3/2017 Email: jennifer.a.dixon@conocophillips

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: 8/28/2017

Expiration Date: 08/27/2019

API NUMBER
05 005 07327 01

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

	1) Comply with Rule 317.j. 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.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Open-hole Resistivity Log with Gamma Ray Log will be run from the kick-off point into the surface casing on State Challenger 5-65 2-3 3BYH Lateral A. A Cement Bond Log with Gamma-Ray will be run on production casing, or on intermediate casing if a production liner is run. The horizontal portion of the wellbore will be logged with a measured-while-drilling gamma-ray log. The Form 5, Completion Report, will list all logs run and have those logs attached.

Total: 1 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

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401252960	FORM 2 RESUBMITTED
401330737	FORM 2 SUBMITTED
401330738	FORM 2 REJECTED
401331084	DIRECTIONAL DATA
401331087	OTHER
401331088	DEVIATED DRILLING PLAN
401331188	FORM 2 SUBMITTED
401334509	WELL LOCATION PLAT
401334559	FORM 2 RESUBMITTED

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete. No LGD or public comment received.	08/28/2017
Permit	Revised distance to nearest wellbore in same formation from 825' to 2390', as measured to the State Massive 1H. This planned wellbore (Lateral B) is 825' from planned wellbore (Lateral A, State Challenger 5-65 2-3 3BYH), but as this is a single well, the 1200' state setback does not apply between the two laterals. Added API # and -01 extension.	08/28/2017
Permit	- Changed attachment description dropdown from "Mineral Lease Map" to "Other". - Revised Lease Information comment to clarify the map shows the area of omission from the lease in Section 3. - Added comment "unspaced" on Spacing tab. Initial permitting review complete.	07/31/2017
Permit	State Land Board has been contacted to verify surface restoration bond and/or lease; SLB confirms there is no objection to this permit application.	07/31/2017
Permit	Passed completeness.	07/10/2017
Permit	Returned to draft: - Well Location Plat attachment is not the same wellbore depicted on the attached Deviated Drilling Plan.	07/03/2017
Permit	REJECTION COMMENT: This APD is being rejected per the Rejection Process criteria that a Form 2 requiring two or more attachments to be added or replaced will be rejected. This APD requires a corrected Well Location Plat, corrected Deviated Drilling Plan, and corrected Directional Data import. Additionally, the Well Location information, total measured depth, and casing data need revision. Operator and COGCC staff have been consulted.	07/03/2017
Permit	With Operator concurrence: - corrected BHL footage to match attached well location plat. - corrected cultural distances to match that of Lateral A and Form 2A. - changed distance to nearest wellbore in same formation from 2579' to 825' as measured to Lateral A. - deleted distance to unit boundary, as no Drilling & Spacing Unit exists.	06/28/2017
Permit	Status Pending - Contacted Operator for corrections: - BHL footages do not match attached well location plat. - Where is the 16 acres of unleased minerals under Lot 3364? Need a Twnp/Rng description. - Distance to lease (2166') seems to be the distance for Lateral A; verify. - Cultural setbacks to nearest road, utility and property line do not match APD for Lateral A or Form 2A. - Distance to nearest wellbore in same formation should be ~825' as measured to associated sidetrack Lateral B. - Delete distance to nearest unit boundary; Sections 1, 2, and 3 are not spaced, so no Drilling and Spacing Unit exists. - Deviated Drilling Plan is missing the plan view and cross-sectional diagrams. Requesting amended DDP. - Casing 1st Liner setting depth and cement bottom (17315) do not approximate proposed Total Measured Depth.	06/21/2017
Permit	Per Operator request: - updated Operator Contact and Submitter Info. - added "Lateral B" to Well Type. - selected YES for Sidetrack option as this will be a planned sidetrack.	06/20/2017
Permit	Passed Completeness	04/24/2017

Total: 11 comment(s)