

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"/> |
|---|---|

Date Received:
07/25/2017

Well Name: Wilson IC Well Number: 03-142HC

Name of Operator: GREAT WESTERN OPERATING COMPANY LLC COGCC Operator Number: 10110

Address: 1801 BROADWAY #500

City: DENVER State: CO Zip: 80202

Contact Name: Ashley Noonan Phone: (303)398-0355 Fax: ()

Email: regulatorypermitting@gwogco.com

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 20160041

WELL LOCATION INFORMATION

QtrQtr: NWNW Sec: 1 Twp: 3N Rng: 68W Meridian: 6

Latitude: 40.259622 Longitude: -104.958383

| | | |
|--------------------------------------|----------------------------|------------|
| Footage at Surface: <u>1176</u> Feet | FNL/FSL | FEL/FWL |
| <u>FNL</u> <u>660</u> Feet | <u>FNL</u> <u>660</u> Feet | <u>FWL</u> |

Field Name: WATTENBERG Field Number: 90750

Ground Elevation: 4985 County: WELD

GPS Data:
Date of Measurement: 04/11/2016 PDOP Reading: 1.4 Instrument Operator's Name: Zane Bullard

If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

| | | | | | |
|---|----------------------------|----------------------------|-------------------------------|----------------------------|------------|
| Footage at Top of Prod Zone: <u>1918</u> Feet | FNL/FSL | FEL/FWL | Bottom Hole: <u>1913</u> Feet | FNL/FSL | FEL/FWL |
| <u>FNL</u> <u>460</u> Feet | <u>FNL</u> <u>460</u> Feet | <u>FEL</u> <u>460</u> Feet | <u>FNL</u> <u>470</u> Feet | <u>FNL</u> <u>470</u> Feet | <u>FWL</u> |

Sec: 2 Twp: 3N Rng: 68W Sec: 3 Twp: 3N Rng: 68W

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 map.

Total Acres in Described Lease: 35 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: 760 Feet

Building Unit: 948 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 1158 Feet

Above Ground Utility: 1152 Feet

Railroad: 920 Feet

Property Line: 383 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: 07/27/2016

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: 1 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Proposed Spacing Unit:
Township 3N, Range 68W (Weld County):
Section 2: S/2N/2
Section 3: S/2N/2

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 | | 320 | GWA |

DRILLING PROGRAM

Proposed Total Measured Depth: 17508 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: 547 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 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 |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| SURF | 13+1/2 | 9+5/8 | 36 | 0 | 1500 | 624 | 1500 | 0 |
| 1ST | 8+1/2 | 5+1/2 | 17 | 0 | 17508 | 2235 | 17508 | 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 Olson #32-3D (API # 05-123-35922) well, owned by Great Western Operating, is the nearest well in the same formation. This distance was measured in 3D.

The Pepler Farms #1F-4H (API # 05-123-37307) well, owned by CRESTONE PEAK RESOURCES OPERATING LLC, is the nearest well owned by another operator. This distance was measured in 3D.

No wells owned by other operators are Producing, Temporarily Abandoned or Shut-In within 150' of this wells productive lateral, therefore stimulation setback consent is not needed.

The 318.A.a windows waiver is included as part of the SUA. Please see the third paragraph.

Attached Mineral Lease Map is incorrectly titled "Kielian Horizontal Wells". Operator confirms this Lease Map is for the Wilson IC horizontal wells.

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: Ashley Noonan

Title: Sr. Regulatory Analyst Date: 7/25/2017 Email: regulatorypermitting@gwogco.c

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:  Director of COGCC Date: 9/17/2017

Expiration Date: 09/16/2019

API NUMBER

05 123 45428 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> |
|-----------------|---|
| | This Permit to Drill is approved subject to all the BMPs and COAs on the most recently approved Form 2A and any subsequently approved Form 4 for the Oil and Gas Location. The most recently approved Form 2A and any subsequent Form 4s containing applicable COAs for this location shall be posted onsite during construction, drilling, and completions operations. |
| | Operator acknowledges the proximity of the non-operated listed well. 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. 05-123-23753, SCHOOL 44-35 05-123-11603, DRIETH #1 |
| | Operator acknowledges the proximity of the listed non-operated well. Operator assures that this offset list will be remediated per the DJ Basin Horizontal Offset Policy (option 3). Operator will submit a Form 42 ("OFFSET MITIGATION COMPLETED") stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well. 05-123-11592, WILLSON #41-2 |
| | 1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU (spud notice) 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.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 according to the following schedule and the Form 17 submitted within 10 days of each test: 1) Within 60 days of rig release and prior to stimulation and 2) If a delayed completion, 6 months after rig release and prior to stimulation. 3) Within 30 days after 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 | Identification of P&A wells (Rule 604.c.(2)U GWOC shall identify the location of the P&A wellbore with a permanent monument as specified in Rule 319.a.(5). The operator shall also inscribe or imbed the well number and date of plugging upon the permanent monument. P&A wellbores shall be cutoff well below ground surface in agricultural areas to provide for landowners to safely farm the reclaimed well area. |
| 2 | Drilling/Completion Operations | Drill stem tests (Rule 604.c.(2)L Conventional drill stem tests will not be conducted on DJ Basin horizontal wells currently being executed or planned by GWOC. If plans change in the future a well specific drill stem testing plan will be prepared for that particular well. Note that GWOC may elect to use one of several available wireline deployed tools for the purpose of measuring down hole formation pressures and/or collecting down hole fluid samples from the target formation(s) of a particular well. |

| | | |
|---|--------------------------------|---|
| 3 | Drilling/Completion Operations | Green Completions (Rule 604.c.(2)C). As applicable, per COGCC Rule 805, GWOC will utilize all reasonable and cost-efficient best practices, including but not limited to those listed in Rule 805, to maximize resource recovery and mitigate releases to the environment. Initial frac and drill out effluent is routed through a sand catcher/trap and a junk/sand tank to remove sand and well frac debris. |
| 4 | Drilling/Completion Operations | Wellbore Collision Prevention – Rule 317.r Prior to drilling operations, GWOG will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed well path with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottom hole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. |
| 5 | Drilling/Completion Operations | Stimulation Setback – Rule 317.s GWOG shall obtain signed written consent for any portion of the proposed wellbore's treated interval within 150' of an existing (producing, Shut-in, or temporarily abandoned) or permitted oil and gas well's treated interval belonging to another operator prior to completion of the well. |
| 6 | Drilling/Completion Operations | BOPE for well servicing (Rule 604.c.(2)J) A BOPE with a minimum pressure rating of 3,000 psi will be utilized. At a minimum it will consist of 2 ram preventers and 1 annular preventer. The blind rams will be positioned below the pipe rams. A backup system of pressure control will be onsite consisting of at a minimum 1,000 psi accumulator (backup pressure). Accumulator is tested to 1,000 psi. Operator may use fixed sized pipe rams matching the tubular size. The annular preventer will be pressure tested to 250 psi low and 2,000 psi high for 10 minutes each. The ram preventers will be tested to 250 psi low and 2,500 psi high for 10 minutes each. All remaining well control equipment will be tested to 250 psi low and 2,500 psi high for 10 minutes each. The pressure tests will be conducted when the equipment is first installed and every 30 days thereafter. Pipe rams and blind rams will be function tested before every well service operation. Annual BOP inspections and pressure tests will be performed by the service company and will be charted & retained for 1 year. Backup stabbing valves shall be used on operations that require reverse circulation. Valves will be pressure tested before each well service operation in low pressure and high pressure range. The GWOC onsite representative will be certified in Well Control Operations by a Well-Cap certified training service. |
| 7 | Drilling/Completion Operations | Bradenhead Monitoring GWOC will comply with the "COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area", dated May 29, 2012 |
| 8 | Drilling/Completion Operations | Multi Well Open-Hole Logging – Rule 317.p One of the first wells drilled on the pad will be logged with an open-hole Resistivity 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 (intermediate casing or production liner if run) to the surface casing. The horizontal portion of every well will be logged with a MWD/GR 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 an open hole log shall clearly state "No open-hole logs were run" and shall clearly identify (by API#, well name and number) the well in which open-hole logs were run. |

Total: 8 comment(s)

Applicable Policies and Notices to Operators

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|--|
| 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> |
|--------------------|----------------------------|
| 401120459 | FORM 2 RESUBMITTED |
| 401339699 | FORM 2 SUBMITTED |
| 401339700 | FORM 2 REJECTED |
| 401345462 | OffsetWellEvaluations Data |
| 401345469 | DIRECTIONAL DATA |
| 401345470 | PROPOSED SPACING UNIT |
| 401345472 | WELL LOCATION PLAT |
| 401345473 | DEVIATED DRILLING PLAN |
| 401345476 | MINERAL LEASE MAP |
| 401346632 | EXCEPTION LOC REQUEST |
| 401351120 | SURFACE AGRMT/SURETY |
| 401352628 | FORM 2 SUBMITTED |
| 401405674 | OFFSET WELL EVALUATION |

Total Attach: 13 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|---|---------------------|
| Permit | Final review complete. Permitting and Engineering tasks passed. No LGD or public comment received. | 09/13/2017 |
| Permit | With Operator concurrence - Added Operator comment: Attached Mineral Lease Map is incorrectly titled "Kielian Horizontal Wells". Operator confirms this Lease Map is for the Wilson IC horizontal wells. Permitting review complete. | 09/12/2017 |
| Permit | Passed completeness. | 08/02/2017 |
| Permit | ?REJECTION COMMENT: This APD is being rejected per Operator request. Operator and COGCC staff have been consulted.? | 07/12/2017 |
| Engineer | Updated distance to the nearest well owned by another operator. The distance was measured in 2D to Crestone Peak Resources. | 03/16/2017 |
| Permit | With Operator approval - reattached Well Location Plat and replaced title to number 4 BMP to read "Rule 317.r: Wellbore Collision Prevention". Passed completeness. | 02/15/2017 |

Total: 6 comment(s)