

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.)

Legal Description: T11NR63W, 6th P.M.
Section: 17 ALL
Containing: 640 acres more or less

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: 3254 Feet
Building Unit: 3262 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 228 Feet
Above Ground Utility: 272 Feet
Railroad: 5280 Feet
Property Line: 228 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: 650 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 240 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

The Critter Creek 242-1708H was used to determine the distance to the nearest wellbore permitted or completed in the same formation.

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	421-85	1280	Sec 8 & Sec 17: All

DRILLING PROGRAM

Proposed Total Measured Depth: 17949 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: 333 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: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

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	20	16	42	0	60	50	60	0
SURF	13+1/2	9+5/8	36	0	1500	386	1500	0
1ST	8+3/4	5+1/2	17	0	17949	2500	17949	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 Water well sampling is not required as there are no water wells within 1500' of the subject location.

Distance and well ID to nearest existing or proposed wellbore belonging to another operator:
Crittter Creek 241-1708H: Distance to Meader 4 (API# 05-123-42263) – 333'

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: Sydney Smith _____

Title: Regulatory Analyst _____ Date: 9/12/2017 _____ Email: ssmith@fifthcreekenergy.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: 11/30/2017 _____

Expiration Date: 11/29/2019 _____

API NUMBER

05 123 45961 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.

COA Type

Description

	<p>Bradenhead tests shall be performed and reported according to the following schedule and Form 17 submitted within 10 days of each test.:</p> <p>1) All: Within 60 days of rig release, prior to stimulation.</p> <p>2) Delayed completion: 6 months after rig release, prior to stimulation.</p> <p>3) All: Within 30 days of first production, as reported on Form 5A.</p>
	<p>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.</p> <p>2) Provide cement coverage to a minimum of 200' above Niobrara. Verify coverage with cement bond log.</p>

Best Management Practices

No BMP/COA Type

Description

1	Drilling/Completion Operations	Fifth Creek Energy will mitigate any offset wells that are determined to be of concern within 1500' of any well prior to fracturing operations per the company wide wellbore protection plan. Offset wells of concern within 1500' of a proposed fracturing operation will be shut in, the pressure will be monitored, and a 5000lb psi well head will be installed.
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 and number) the well in which open-hole logs were run.
3	Drilling/Completion Operations	<p>Anti-collision: Fifth Creek Energy will perform an anti-collision evaluation of all active (producing, shut in or temporarily abandoned) offset well bores 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.</p> <p>Prior to drilling operations, FCE will perform an anti-collision review of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision review may include MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument and compared against the proposed well path with respective error of uncertainty. If the current surveys do not exist for the offset wells, FCE may have gyro surveys conducted to verify bottom hole location. FCE may also perform IFR (In Field Reference) to increase survey accuracy. The proposed well will only be drilled if the anti-collision review results indicate that the risk of collision is sufficiently low as defined by the anti-collision plan, with adequate separation factor or if the risk of collision has been mitigated through other means including shutting in wells, pugging wells, increased drilling fluid in the event of lost returns or as appropriate for the specific situation. In the event of an increased risk of collision, that risk will be mitigated to prevent harm to people, environment or property. A MWD directional survey for the proposed well will be submitted to the COGCC with Form 5 upon completion of drilling operations.</p>

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

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401396021	FORM 2 SUBMITTED
401401208	OffsetWellEvaluations Data
401401217	WELL LOCATION PLAT
401401218	DEVIATED DRILLING PLAN
401401221	DEVIATED DRILLING PLAN
401401223	DIRECTIONAL DATA
401401225	SURFACE AGRMT/SURETY
401471850	OFFSET WELL EVALUATION

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	With operator's concurrence corrected the Right to construct to O&G lease, corrected the distance to the lease line to zero feet, corrected distance to the property line to 228'. Permitting Review Complete. Final Review Completed.	11/28/2017
Permit	Open Hole Logging BMP submitted by operator. ON HOLD: requesting correction to Right to construct, corrected distance to the lease line, corrected distance to the property line.	11/03/2017
Engineer	11-1-17 Operator provided corrected distances and well ID to nearest existing or proposed wellbore belonging to another operator. I requested anti-collision BMP for those < 150'. 11-3-17 Operator provided anti-collision BMP. I put BMP on all wells on pad.	11/03/2017
Engineer	Evaluated existing wells within 1500' of proposed directional.	10/30/2017
Engineer	Drilling & Waste Plans: Requested operator to provide corrected distances and corresponding well identification "Distance to to nearest existing or proposed wellbore belonging to another operator. The Meader 1 through 4 by 8 North LLC located in 5-11N-63W are within 1500'.	10/30/2017
Permit	Passed Completeness. Edit: - Top PZ and BHL listed as "Twp 11, Rng 63" corrected to "Twp 11N, Rng 63W"	09/27/2017
Permit	Returned to draft per operator's request.	09/26/2017
Permit	Returned to draft for: - box on "Submit" tab for "This application is included as part of a location assessment" is "YES", but the "Related Forms" tab is blank. Either the box needs to be NO or the related forms need to be added. - one of the "DIRECTIONAL DATA" attachments is a DEVIATED DRILLING PLAN	09/26/2017

Total: 8 comment(s)