

FORM 2 Rev 08/16	State of Colorado Oil and Gas Conservation Commission 1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109		Document Number: 401447830 (REJECTED) Date Received: 02/27/2018																																						
APPLICATION FOR PERMIT TO:																																									
<input checked="" type="checkbox"/> Drill <input type="checkbox"/> Deepen <input type="checkbox"/> Re-enter <input type="checkbox"/> Recomplete and Operate																																									
TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____		Refiling <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"/>																																							
Well Name: <u>NPR</u>		Well Number: <u>23C-8-596</u>																																							
Name of Operator: <u>CAERUS PICEANCE LLC</u>		COGCC Operator Number: <u>10456</u>																																							
Address: <u>1001 17TH STREET #1600</u>																																									
City: <u>DENVER</u> State: <u>CO</u>		Zip: <u>80202</u>																																							
Contact Name: <u>Reed Haddock</u>		Phone: <u>(720)880-6369</u> Fax: <u>(303)565-4606</u>																																							
Email: <u>rhaddock@caerusoilandgas.com</u>																																									
RECLAMATION FINANCIAL ASSURANCE Plugging and Abandonment Bond Surety ID: <u>20130021</u>																																									
WELL LOCATION INFORMATION QtrQtr: <u>SWNE</u> Sec: <u>8</u> Twp: <u>5S</u> Rng: <u>96W</u> Meridian: <u>6</u> Latitude: <u>39.630186</u> Longitude: <u>-108.192781</u> <table style="width:100%; border: none;"> <tr> <td style="text-align: center;">Footage at Surface:</td> <td style="text-align: center;"><u>2415</u></td> <td style="text-align: center;">Feet</td> <td style="text-align: center;">FNL/FSL</td> <td style="text-align: center;"><u>2607</u></td> <td style="text-align: center;">Feet</td> <td style="text-align: center;">FEL/FWL</td> </tr> <tr> <td></td> <td style="text-align: center;"><u>FSL</u></td> <td></td> <td style="text-align: center;"><u>FNL</u></td> <td style="text-align: center;"><u>2607</u></td> <td style="text-align: center;"><u>FEL</u></td> <td style="text-align: center;"><u>FEL</u></td> </tr> </table> Field Name: <u>GRAND VALLEY</u> Field Number: <u>31290</u> Ground Elevation: <u>7702</u> County: <u>GARFIELD</u> GPS Data: Date of Measurement: <u>10/19/2017</u> PDOP Reading: <u>1.3</u> Instrument Operator's Name: <u>Joel LeFevre</u> If well is <input checked="" type="checkbox"/> Directional <input type="checkbox"/> Horizontal (highly deviated) submit deviated drilling plan. <table style="width:100%; border: none;"> <tr> <td style="text-align: center;">Footage at Top of Prod Zone:</td> <td style="text-align: center;">FNL/FSL</td> <td style="text-align: center;">FEL/FWL</td> <td style="text-align: center;">Bottom Hole:</td> <td style="text-align: center;">FNL/FSL</td> <td style="text-align: center;">FEL/FWL</td> </tr> <tr> <td style="text-align: center;"><u>2458</u></td> <td style="text-align: center;"><u>FSL</u></td> <td style="text-align: center;"><u>1304</u></td> <td style="text-align: center;"><u>2458</u></td> <td style="text-align: center;"><u>FSL</u></td> <td style="text-align: center;"><u>1304</u></td> </tr> <tr> <td style="text-align: center;"><u>FSL</u></td> <td style="text-align: center;"><u>FEL</u></td> <td style="text-align: center;"><u>FEL</u></td> <td style="text-align: center;"><u>FSL</u></td> <td style="text-align: center;"><u>FEL</u></td> <td style="text-align: center;"><u>FEL</u></td> </tr> <tr> <td style="text-align: center;">Sec: <u>8</u></td> <td style="text-align: center;">Twp: <u>5S</u></td> <td style="text-align: center;">Rng: <u>96W</u></td> <td style="text-align: center;">Sec: <u>8</u></td> <td style="text-align: center;">Twp: <u>5S</u></td> <td style="text-align: center;">Rng: <u>96W</u></td> </tr> </table>				Footage at Surface:	<u>2415</u>	Feet	FNL/FSL	<u>2607</u>	Feet	FEL/FWL		<u>FSL</u>		<u>FNL</u>	<u>2607</u>	<u>FEL</u>	<u>FEL</u>	Footage at Top of Prod Zone:	FNL/FSL	FEL/FWL	Bottom Hole:	FNL/FSL	FEL/FWL	<u>2458</u>	<u>FSL</u>	<u>1304</u>	<u>2458</u>	<u>FSL</u>	<u>1304</u>	<u>FSL</u>	<u>FEL</u>	<u>FEL</u>	<u>FSL</u>	<u>FEL</u>	<u>FEL</u>	Sec: <u>8</u>	Twp: <u>5S</u>	Rng: <u>96W</u>	Sec: <u>8</u>	Twp: <u>5S</u>	Rng: <u>96W</u>
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LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT Surface Ownership: <input checked="" type="checkbox"/> Fee <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Indian The Surface Owner is: <input checked="" type="checkbox"/> is the mineral owner beneath the location. (check all that apply) <input checked="" type="checkbox"/> is committed to an Oil and Gas Lease. <input checked="" type="checkbox"/> has signed the Oil and Gas Lease. <input checked="" type="checkbox"/> is the applicant. The Mineral Owner beneath this Oil and Gas Location is: <input checked="" type="checkbox"/> Fee <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Indian The Minerals beneath this Oil and Gas Location will be developed by this Well: <u>Yes</u> The right to construct the Oil and Gas Location is granted by: <u>applicant is owner</u> 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.)

Sec. 8 - T5S-R96W - All
Sec. 5 - T5S-R96W - S2

Total Acres in Described Lease: 960 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: 1304 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 Feet
Building Unit: 5280 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 5280 Feet
Above Ground Utility: 5280 Feet
Railroad: 5280 Feet
Property Line: 2573 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: 259 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

Sec. 8, T5S-R96W - 10-acre density

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
WILLIAMS FORK	WMFK	510-13		

DRILLING PROGRAM

Proposed Total Measured Depth: 10129 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? 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 609

DRILLING WASTE MANAGEMENT PROGRAM

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

Cuttings Disposal: ONSITE Cuttings Disposal Method: Beneficial reuse

Other Disposal Description:

Waste Management Plan attached to Form 2A.

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	30	20	54#	0	100	218	100	0
SURF	14+3/4	9+5/8	36#	0	2500	826	2500	0
1ST	8+3/4	4+1/2	11.6#	0	10129	948	10129	4697

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 510-13

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 application is in a Comprehensive Drilling Plan _____ 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: Reed Haddock

Title: Sr. Regulatory Specialist Date: 2/27/2018 Email: rhaddock@caerusoilandgas.co

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: _____

Expiration Date: _____

API NUMBER

05

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>

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	The first well drilled on the NPR G08 Pad will be logged with an open-hole Resistivity Log and Gamma Ray Log from TD into the surface casing. All wells on the pad will have a Cement Bond Log with cased-hole Gamma Ray run on the production casing. The Form 5 Completion Report will list all the logs run in the subject well and identify the well that was logged with the open-hole Resistivity Log.
2	Drilling/Completion Operations	Closed loop system will be used. No pits will be built. Caerus will ensure 110 percent secondary containment for any potential volume of fluids that may be released.

Total: 2 comment(s)

Applicable Policies and Notices to Operators

Piceance Rulison Field - Notice to Operators.

<http://cogcc.state.co.us/documents/reg/Policies/NoticeToOp-20060623-2.pdf>

NW Colorado Notification Policy.

http://cogcc.state.co.us/documents/reg/Policies/nw_notification_procedures.pdf

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>
401447830	FORM 2 SUBMITTED
401447832	WELL LOCATION PLAT
401554845	EXCEPTION LOC REQUEST
401554848	DEVIATED DRILLING PLAN
401554849	DIRECTIONAL DATA

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
		Stamp Upon Approval

Total: 0 comment(s)

Public Comments

No public comments were received on this application during the comment period.

