

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: 05/08/2018
---	---	------------------------------

Well Name: Middlepark Well Number: 18-16-1L

Name of Operator: CONFLUENCE DJ LLC COGCC Operator Number: 10518

Address: 1001 17TH STREET #1250

City: DENVER State: CO Zip: 80202

Contact Name: Brittany Rothe Phone: (303)226-9519 Fax: ()

Email: brothe@confluencelp.com

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 20160056

WELL LOCATION INFORMATION

QtrQtr: SESW Sec: 18 Twp: 4N Rng: 62W Meridian: 6

Latitude: 40.306120 Longitude: -104.370960

Footage at Surface:	<u>340</u>	Feet	FNL/FSL	<u>1558</u>	Feet	FEL/FWL
			FSL			FWL

Field Name: WATTENBERG Field Number: 90750

Ground Elevation: 4559 County: WELD

GPS Data:
Date of Measurement: 04/16/2018 PDOP Reading: 1.4 Instrument Operator's Name: Kyle Daley

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>470</u>	FSL	<u>1555</u>	<u>470</u>	FNL	<u>1555</u>
		FWL			FWL

Sec: 18 Twp: 4N Rng: 62W Sec: 7 Twp: 4N Rng: 62W

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.)

T4N-R62W Section 18: S/2 Lot 1, Lot 2, S/2NE/4, SE/4NW/4, E/2SW/4, W/2SE/4, SE/4SE/4, Frac. Pt. NE/4SE/4

Total Acres in Described Lease: 435 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # 1026.9

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 2660 Feet

Building Unit: 4083 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 898 Feet

Above Ground Utility: 836 Feet

Railroad: 5280 Feet

Property Line: 340 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: 226 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 470 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

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	407-2340	1280	S. 7 & 18: All

DRILLING PROGRAM

Proposed Total Measured Depth: 16233 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: 590 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? _____

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	878	1500	0
1ST	8+3/4	5+1/2	17	0	16233	2175	16233	

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 Distance from completed portion of the wellbore to nearest wellbore permitted or completed in the same formation was measured to the proposed Middlepark 18-17-2L.

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged well was measured to the producing State Seventy Holes #24-21-6HNB API#: 05-123-37401, operated by Bonanza Creek Energy Operating Company.

Confluence has purchased the oil and location (ID 442024) from Bonanza Creek. The Form 10 has been submitted to COGCC but not processed. The Letter of Support from Bonanza Creek to Confluence is attached.

Please contact Tishany Jenkins for questions on this permit. For offset well evaluation questions please email Brittany Rothe and Tishany Jenkins.

This application is in a Comprehensive Drilling Plan No CDP #: _____

Location ID: 442024

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: Tishany Jenkins

Title: Permit Agent Date: 5/8/2018 Email: tjenkins@upstreampm.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:  Director of COGCC Date: 7/25/2018

Expiration Date: 07/24/2020

API NUMBER 05 123 47459 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 (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. 3) Oil-based drilling fluid is to be used only after all fresh water aquifers are covered.
	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. If a bradenhead test reports a surface casing pressure greater than 200 psig stimulation is not allowed until the Engineering Supervisor has been consulted.

Best Management Practices

<u>No BMP/COA Type</u>	<u>Description</u>
1 Drilling/Completion Operations	Logging: 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 to 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.
2 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.
3 Drilling/Completion Operations	Bradenhead Monitoring: Operator acknowledges and will comply with COGCC Policy for Braden-head Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.

Total: 3 comment(s)

Applicable Policies and Notices to Operators

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

<u>Att Doc Num</u>	<u>Name</u>
1734251	EXCEPTION LOC WAIVERS
1734252	EXCEPTION LOC REQUEST
2366394	SURFACE CASING CHECK
401626908	FORM 2 SUBMITTED
401626919	OffsetWellEvaluations Data
401626924	DIRECTIONAL DATA

401626925	OTHER
401626928	DEVIATED DRILLING PLAN
401626929	WELL LOCATION PLAT
401633389	SURFACE AGRMT/SURETY
401714165	OFFSET WELL EVALUATION

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final permitting review Complete. Send to Final Approval. - checked box for 318A.c. (twinning) Exception	07/24/2018
Permit	The following changes were made with Operator concurrence: - attached corrected EXCEPTION LOC REQUEST & EXCEPTION LOC WAIVERS	07/24/2018
Permit	Per communication with Operator: - corrected right to construct from "Surface Use Agreement" to "oil and gas lease" - added State Lease# "1026.9" - corrected 317.p. logging BMP	07/23/2018
Permit	Per communication with State Land Board: Confluence DJ is set to go with the State Land Board for these permits - they are properly bonded, have the lease, surface use agreement and Communitization Agreement in place for the wells.	07/23/2018
Engineer	Offset wells evaluated.	06/22/2018
Permit	Initial permitting review complete and task passed.	06/20/2018
Permit	Passed Completeness.	05/11/2018

Total: 7 comment(s)