

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"/>
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Date Received:
09/12/2018

Well Name: Critter Creek Well Number: 15-6104XBW

Name of Operator: HIGHPOINT OPERATING CORPORATION COGCC Operator Number: 10071

Address: 1099 18TH ST STE 2300

City: DENVER State: CO Zip: 80202

Contact Name: Rachel Milne Phone: (303)3128115 Fax: ()

Email: rmilne@hpres.com

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 20040060

WELL LOCATION INFORMATION

QtrQtr: SWSW Sec: 15 Twp: 11N Rng: 63W Meridian: 6

Latitude: 40.916244 Longitude: -104.424161

Footage at Surface: 400 Feet FSL 1190 Feet FWL

Field Name: HEREFORD Field Number: 34200

Ground Elevation: 5243 County: WELD

GPS Data:
Date of Measurement: 03/27/2018 PDOP Reading: 1.3 Instrument Operator's Name: Chad Meiers

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

300 FSL 2119 FWL 240 FNL 2064 FWL

 Sec: 15 Twp: 11N Rng: 63W Sec: 10 Twp: 11N Rng: 63W

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.)

Legal Description: T11NR63W, 6th P.M.
 Section: 15 ALL
 Containing 2,720.00 acres more or less

Total Acres in Described Lease: 2720 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: 5280 Feet
 Building Unit: 5280 Feet
 High Occupancy Building Unit: 5280 Feet
 Designated Outside Activity Area: 5280 Feet
 Public Road: 392 Feet
 Above Ground Utility: 364 Feet
 Railroad: 5280 Feet
 Property Line: 400 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: 441 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 300 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	421-94	1280	Sec 10 & 15 : All

DRILLING PROGRAM

Proposed Total Measured Depth: 17833 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: Land application

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Beneficial reuse

Other Disposal Description:

Beneficial reuse or land application plan submitted? Yes

Reuse Facility ID: 454282 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	1549	730	1549	0
1ST	8+3/4	7	23	0	7839	741	7839	1300
1ST LINER	6+1/8	4+1/2	11.6	6891	17833	555	17833	6891

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

Diana Burn provided verbal approval for a request to plug lost hole, skid rig, and drill replacement well on 9/11/2018. See attached email correspondence for details.

- While attempting to release from the 4 1/2" casing liner hanger on the Critter Creek 15-6104BW, there was some sort of failure that would not allow us to sting out of the liner hanger to circulate off the excess cement from around the drill pipe. While attempting all options to release from hanger, too much time had passed and the cement cured. We began pipe recovery operations on Friday afternoon (9/7/2018) with very little progress. The decision was made to re-drill the well. We will put a new surface hole location on the Critter Creek 15 SW pad in line with other wells, 15' to the east of the 6104BE well. The redrill well name will be the Critter Creek 15-6104XBW.

- The total MD of the hole to be abandoned is 17886' MD.
- 9 5/8" surface casing is set at 1549' MD.
- There is a cemented fish in the hole at 7070' MD to 7547' MD.
- On 9/10 we will place a cast iron bridge plug at 6835' MD (KOP of curve).
- Sidetrack KOP is 0' MD on new well.
- The objective formation for the sidetrack hole is the Niobrara formation, which is the same objective formation as the wellbore being abandoned.
- The PBHL of the sidetrack hole is the same as the wellbore being abandoned.

This well has a bottom-hole location beyond the unit boundary setback. The bottom of the completed interval will be within the unit boundary setback at 300' FNL and 2064' FWL of Section 10. The wellbore beyond the unit boundary setback will be physically isolated and will not be completed.

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

Location ID: 444163

Is this application being submitted with an Oil and Gas Location Assessment application? No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Rachel Milne

Title: Regulatory Analyst Date: 9/12/2018 Email: rmilne@hpres.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: 9/17/2018

Expiration Date: 09/16/2020

API NUMBER

05 123 47895 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>
	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.
	1) Comply with Rule 317.j and provide cement coverage from the end of production casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log. 2) Oil-based drilling fluid is to be used only after all aquifers are covered.
	Operator will insure the wellbore beyond the unit boundary setback is physically isolated and is not completed. In the Operator Comments on the Form 5A the operator will (1) report the footages from the section lines of the bottom of the completed interval (2) describe how the wellbore beyond the unit boundary setback is physically isolated and (3) certify that none of the wellbore beyond the setback was completed.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	HighPoint will adhere to the COGCC Policy for Bradenhead Monitoring effective 5/29/12.
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 & number) the well in which open-hole logs were run.

Total: 2 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401755331	FORM 2 SUBMITTED
401760934	DEVIATED DRILLING PLAN
401760943	DIRECTIONAL DATA
401761022	CORRESPONDENCE
401761144	WELL LOCATION PLAT

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Permitting review complete, passed Final Review.	09/14/2018
Permit	Requested formal language from operator for drilling beyond setback on 9/13/2018. Surface and Minerals inconsistent with previous APD, asked operator for confirmation on 9/13/2018. Received formal language on 9/13/2018. Corrected Surface and Minerals information.	09/13/2018
Permit	LGD and public comment waived for this application for a replacement well in this lost hole/rig skid situation while drilling is in progress.	09/13/2018
Permit	Passed completeness.	09/13/2018
Permit	Returned to draft per operator's request.	09/12/2018

Total: 5 comment(s)