FORM 2 Rev 08/16

# State of Colorado
# Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
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Document Number: 401517389

Date Received: 02/05/2018

## APPLICATION FOR PERMIT TO:

☒ **Drill** ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER ____ Refiling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐ Sidetrack ☐

Well Name: Anschutz Equus Farms Fed Well Number: 5-61-34-5649B

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

Address: 1099 18TH ST STE 2300

City: DENVER State: CO Zip: 80202

Contact Name: Matt Barber Phone: (303)312-8188 Fax: (303)291-0420

Email: mbarber@billbarrettcorp.com

## RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20040060

## WELL LOCATION INFORMATION

QtrQtr: NESE Sec: 34 Twp: 5N Rng: 61W Meridian: 6

Latitude: 40.354739 Longitude: -104.186500

Footage at Surface: 1685 Feet FNL/FSL FSL 270 Feet FEL/FWL FEL

Field Name: WATTENBERG Field Number: 90750

Ground Elevation: 4481 County: WELD

GPS Data:

Date of Measurement: 05/22/2017 PDOP Reading: 1.6 Instrument Operator's Name: Jared Christopher

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

Footage at Top of Prod Zone: 1064 FNL/FSL FSL 460 FEL/FWL FEL

Bottom Hole: 1062 FNL/FSL FSL 400 FEL/FWL FWL

Sec: 34 Twp: 5N Rng: 61W Sec: 33 Twp: 5N Rng: 61W

## LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian

The Surface Owner is: (check all that apply)

☐ is the mineral owner beneath the location.
☐ 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: 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.)

This well will produce from state and federal leases (Federal lease number: COC74188). A federal APD has been submitted with theBLM. Please see attached mineral map for lease details.

Total Acres in Described Lease: 160 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC74188

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

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

| | | |
|---|---|---|
| Building: | 3787 | Feet |
| Building Unit: | 5280 | Feet |
| High Occupancy Building Unit: | 5280 | Feet |
| Designated Outside Activity Area: | 5280 | Feet |
| Public Road: | 5280 | Feet |
| Above Ground Utility: | 615 | Feet |
| Railroad: | 5280 | Feet |
| Property Line: | 270 | 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: 532 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

## 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 | 407-2050 | 1280 | All Sec. 33 & 34 |

## DRILLING PROGRAM

Proposed Total Measured Depth: 15981 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: 435 Feet ☐ No well belonging to another operator within 1,500 feet

Will a closed-loop drilling system be used? Yes

Is $H_2S$ 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 318A

## 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 | 960 | 476 | 960 | 0 |
| 1ST | 8+3/4 | 7 | 26 | 0 | 6299 | 661 | 6299 | 600 |
| 1ST LINER | 6+1/8 | 4+1/2 | 11.6 | 5403 | 15981 | 532 | 15981 | 5403 |

☒ 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: 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 1062' FSL and 460' FWL of Section 33. The wellbore beyond the unit boundary setback will be physically isolated and will not be completed.

Anschutz O'Brien 5-61-33-57H – BBC will PA this well prior drilling operations.

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: Matt Barber

Title: Sr. Permit Analyst Date: 2/5/2018 Email: mbarber@billbarrettcorp.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: 10/16/2018

Expiration Date: 10/15/2020

**API NUMBER**

05 123 48183 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 |
|---|---|
| | 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. |
| | Revised the surface casing setting depth from 800', to 960', adjusted the cement quantity proportionately, on the Casing Tab.<br>Operator agreed. |
| | Bradenhead tests shall be performed and reported according to the following schedule and Form 17 submitted within 10 days of each test:<br>1) Within 60 days of rig release and prior to stimulation or<br>2) If a delayed completion, 6-7 months after rig release and prior to stimulation.<br>3) Within 30 days after first production, as reported on Form 5A. |
| | 1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU (Spud Notice), for the first well/activity on the pad and provide 48 hour spud notice for all subsequent wells drilled on the pad.<br>2) 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. |

## Best Management Practices

| No | BMP/COA Type | Description |
|---|---|---|
| 1 | Drilling/Completion Operations | BBC 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)

## Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.
http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

## Attachment Check List

| Att Doc Num | Name |
|---|---|
| 401517389 | FORM 2 SUBMITTED |
| 401517452 | DIRECTIONAL DATA |
| 401517453 | WELL LOCATION PLAT |
| 401517454 | DEVIATED DRILLING PLAN |

| | |
|---|---|
| 401517459 | WASTE MANAGEMENT PLAN |
| 401536230 | SURFACE AGRMT/SURETY |
| 401536241 | EXCEPTION LOC REQUEST |
| 401536259 | EXCEPTION LOC WAIVERS |
| 401536418 | OffsetWellEvaluations Data |
| 401581181 | LEASE MAP |
| 401798320 | OFFSET WELL EVALUATION |

Total Attach: 11 Files

## General Comments

| User Group | Comment | Comment Date |
|---|---|---|
| Permit | Permitting review complete, passed Final Review. | 10/12/2018 |
| Permit | Corrected Operator comment for drilling beyond setback.<br>Corrected Reuse Facility ID to 454282 to reflect 2A, Doc #401426385.<br>Corrected Date of Measurement for GPS to reflect Well Location Plat. | 10/11/2018 |
| Engineer | Offset Wells Evaluated | 03/27/2018 |
| Permit | Passed Completeness. | 03/23/2018 |
| Permit | Returned to draft for:<br>- "Surface & Minerals" tab: the box for surface owner "is committed to an oil and gas lease." and "has signed an Oil and Gas Lease." is checked. If these are checked, then the the box above indicating the surface owner as mineral owner, also need to be checked. If that is not the case, then this should be unchecked<br>- missing Lease Map attachment, per description on "Surface & Minerals" tab | 02/13/2018 |

Total: 5 comment(s)