

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 <u>UNPLANNED</u>	Refiling <input type="checkbox"/>
ZONE TYPE SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input checked="" type="checkbox"/>

Date Received:
12/06/2018

Well Name: Critter Creek Well Number: 16-5906D

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

Address: 1099 18TH ST STE 2300

City: DENVER State: CO Zip: 80202

Contact Name: Delores Montoya Phone: (303)312-8145 Fax: ()

Email: dmontoya@hpres.com

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 20040060

WELL LOCATION INFORMATION

QtrQtr: SESE Sec: 16 Twp: 11N Rng: 63W Meridian: 6

Latitude: 40.916289 Longitude: -104.432260

Footage at Surface: <u>430</u> Feet	FNL/FSL <u>FSL</u> <u>1049</u> Feet	FEL/FWL <u>FEL</u>
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Field Name: HEREFORD Field Number: 34200

Ground Elevation: 5253 County: WELD

GPS Data:
Date of Measurement: 04/18/2018 PDOP Reading: 1.8 Instrument Operator's Name: Matthew Miller

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

Footage at Top of Prod Zone: <u>300</u> Feet	FNL/FSL <u>FSL</u> <u>1935</u> Feet	FEL/FWL <u>FEL</u>
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Bottom Hole: 240 Feet FNL/FSL: FNL 1925 Feet FEL/FWL: FEL

Sec: 16 Twp: 11N Rng: 63W Sec: 9 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: T11N R63W, 6th P.M.
Section: 16 ALL

Total Acres in Described Lease: 640 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # CO 8725.5

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

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 2607 Feet
 Building Unit: 2651 Feet
 High Occupancy Building Unit: 5280 Feet
 Designated Outside Activity Area: 5280 Feet
 Public Road: 419 Feet
 Above Ground Utility: 458 Feet
 Railroad: 5280 Feet
 Property Line: 430 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: 1366 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.)
CODELL	CODL	421-79	1280	Sec 9 & Sec 16: All

DRILLING PROGRAM

Proposed Total Measured Depth: 18124 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	1544	413	1544	0
1ST	8+3/4	7	23	0	8116	790	8116	1300
1ST LINER	6+1/8	4+1/2	11.6	7203	18124	555	18119	7203

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 Please see the summary below detailing our plans to sidetrack the lateral section of the Critter Creek 16-5906D (API 05-123-47307). Please let us know if you need any additional information.

- Following reaching total depth in the wellbore at 18119'MD we tripped out of the hole to lay down directional equipment and proceeded to trip back in the hole with a conditioning assembly. With this assembly we reached a depth 17590'MD. The drill string took weight and required extremely high torque as we attempted to clean up the wellbore. After several hours the assembly was tripped out of the hole at which time it was discovered that 38 stands of drill pipe had been left in the hole. Top of the fish is at 13942'MD. Two subsequent fishing attempts were made confirming top of fish but these trips proved unsuccessful. We are requesting approval to sidetrack away from the affected lateral section.
- Fish in hole is from 13942'MD to 17590'MD and consists of drill pipe and a bit.
- The total MD of the hole to be abandoned is 18119'MD
- The 9-5/8" surface casing string is set and cemented at 1544' MD
- The 7" intermediate casing string is set and cemented at 8116' MD
- The Sidetrack KOP is estimated at 12200' MD
- The objective formation for the lateral sidetrack hole is the Codell formation, which is the same objective formation as the lateral section being abandoned.
- The PBHL of the sidetrack hole is the same as the wellbore being abandoned.
- There are no proposed cement plugs.

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 1925' FEL of Section 9. The wellbore beyond the unit boundary setback will be physically isolated and will not be completed.

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

Location ID: 414451

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: Delores Montoya

Title: Sr. Regulatory Analyst Date: 12/6/2018 Email: dmontoya@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: 12/6/2018

Expiration Date: 12/05/2020

API NUMBER 05 123 47307 01

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 ensure 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.
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Best Management Practices

No BMP/COA Type

Description

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

Att Doc Num

Name

401862266	FORM 2 SUBMITTED
401862297	OffsetWellEvaluations Data
401862306	CORRESPONDENCE
401864247	WELLBORE DIAGRAM
401864847	OFFSET WELL EVALUATION

Total Attach: 5 Files

General Comments

User Group

Comment

Comment Date

Permit	Permitting review complete, passed Final Review.	12/06/2018
Permit	LGD and Public Comment waived for this application for an unplanned sidetrack with drilling in progress.	12/06/2018
Permit	Wellbore Diagram attachment corrected. Passed Completeness.	12/06/2018
Permit	Corrected Zone Type to Single Zone. Added 'SIDETRACK' to Well Type. Corrected County to Weld. Wellbore Diagram attachment is actually Correspondence, Need Wellbore Diagram. Returned to Draft for Wellbore Diagram.	12/06/2018

Total: 4 comment(s)