

**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 _____	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"/>

Date Received:  
01/25/2018

Well Name: Grinde      Well Number: 01-64-05-4841B

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: ( )

Email: mbarber@billbarrettcorp.com

**RECLAMATION FINANCIAL ASSURANCE**  
Plugging and Abandonment Bond Surety ID: 20040060

**WELL LOCATION INFORMATION**

QtrQtr: NWSW    Sec: 5    Twp: 1N    Rng: 64W    Meridian: 6

Latitude: 40.077500      Longitude: -104.583110

Footage at Surface: <u>1550</u> Feet	FNL/FSL	FEL/FWL
<u>FSL</u> <u>320</u> Feet	<u>FSL</u> <u>320</u>	<u>FWL</u>

Field Name: WATTENBERG      Field Number: 90750

Ground Elevation: 5030      County: WELD

GPS Data:  
Date of Measurement: 11/02/2017    PDOP Reading: 1.3    Instrument Operator's Name: Scott Estabrooks

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

Footage at Top of Prod Zone: <u>1432</u> Feet	FNL/FSL	FEL/FWL	Bottom Hole: <u>1432</u> Feet	FNL/FSL	FEL/FWL
<u>FSL</u> <u>460</u> Feet	<u>FSL</u> <u>460</u>	<u>FWL</u>	<u>FSL</u> <u>400</u>	<u>FSL</u> <u>400</u>	<u>FEL</u>

Sec: 5    Twp: 1N    Rng: 64W      Sec: 4    Twp: 1N    Rng: 64W

**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: 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.)

T1N - R64W  
SEC 5: W/2  
320 acres  
Please see attached lease map

Total Acres in Described Lease: 320 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: 405 Feet

Building Unit: 680 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 307 Feet

Above Ground Utility: 294 Feet

Railroad: 5280 Feet

Property Line: 320 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: 11/13/2017

## 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: 234 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	407-2097	1280	Sec. 4 & 5: ALL

## DRILLING PROGRAM

Proposed Total Measured Depth: 16981 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: 234 Feet  No well belonging to another operator within 1,500 feet

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H<sub>2</sub>S 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: 448950 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	1200	587	1200	0
1ST	8+3/4	7	26	0	7274	734	7274	
1ST LINER	6+1/8	4+1/2	11.6	6521	16981	696	16981	6521

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 1432' FSL and 460' FEL of Section 4. The wellbore beyond the unit boundary setback will be physically isolated and will not be completed.

The distance from the proposed wellbore to the nearest existing or proposed wellbore belonging to another operator, including plugged wells is the Reiter 04-5H which is approximately 234 feet away. This distance was measured in 3D.

The surface owner has waived Rule 318A.a & Rule 318A.c within the Surface Use Agreement.

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: Rachel Milne

Title: Regulatory Analyst Date: 1/25/2018 Email: rmilne@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: 2/13/2019

Expiration Date: 02/12/2021

**API NUMBER**

05 123 49721 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>
	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.
	Prior to drilling operations, Operator will perform a risk analysis of the potential for subsurface collision with existing offset wells within close proximity of the proposed well, taking into consideration the possibility of well path drift for both the existing and proposed wells. Where inclination, MWD or gyro surveys of the offset wells are available, or can be reasonably obtained by the operator, such surveys shall be incorporated in the risk analysis, taking into account survey instrument margin of error. For the proposed well, upon conclusion of drilling operations, an as-constructed final directional survey will be submitted to the COGCC with the Form 5.
	Per COGCC Order 1-232, Bradenhead tests shall be performed 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. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 2) If a delayed completion, 6 months after rig release and prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.  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 end of 7-inch casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log. 3) In the Form 5A comments, operator will (1) certify that this well has no treated interval within 150' of another operator's well for which a signed Stimulation Setback Consent was not obtained, (2) provide the following information for all other operator's offset wells without consent that have a treated interval within 150' of this as-drilled wellbore: well name and API number, depth of the perforation in this well nearest to the treated interval of the offset well, and the distance between the wells at that depth.

## Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
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](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>
401489714	FORM 2 SUBMITTED
401526500	OffsetWellEvaluations Data
401526515	WELL LOCATION PLAT
401526517	DEVIATED DRILLING PLAN
401526543	DIRECTIONAL DATA
401526546	WASTE MANAGEMENT PLAN
401526548	LEASE MAP
401526553	SURFACE AGRMT/SURETY
401526555	EXCEPTION LOC REQUEST
401939344	OFFSET WELL EVALUATION

Total Attach: 10 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Permitting review complete, passed Final Review.	02/06/2019
Permit	Corrected operator comment for drilling beyond setback to standard language.	01/30/2019
Engineer	Operator indicated oil-based drilling fluid will not be used. Updated surface casing setting depth per email from operator. Offset wells evaluated.	01/29/2019
Engineer	Emailed operator: There is a water well within one mile that is 1,020' deep, additionally, DWR's aquifer determination tool lists the depth of the Laramie-Fox Hills at 1,063'. The proposed surface casing is too shallow and does not provide aquifer isolation and protection as required. Please email me a revised casing design plan	01/28/2019
Permit	Status Pending - contacted Operator for corrections: - revise Submit tab comment for BHL beyond unit setback; COGCC staff will provide guidance. - revise Submit tab comment for exception location waiver in SUA; add page 3, sec. 8.	05/14/2018
Permit	Corrections made by COGCC Permitting staff: - Deleted comment: "A spacing unit application was submitted to the COGCC under DOCKET NO. 407-2097, to establish an approximate 1,280-acre drilling and spacing unit for Sections 5 and 4, Township 1N, R64W." - Unchecked box for 604.a.(1).A on Exceptions tab; not an Urban Mitigation Area.	05/14/2018
Permit	Passed Completeness.	02/13/2018
Permit	Returned to draft: conflicts with Verdad APDs in process.	02/02/2018

Total: 8 comment(s)