

FORM
2

Rev
02/19

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

401938951

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refilling ☒

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Date Received:

Well Name: HELTON

Well Number: 5-63-27-1609D

Name of Operator: HIGHPOINT OPERATING CORPORATION

COGCC Operator Number: 10071

Address: 1099 18TH ST STE 2300

City: DENVER

State: CO

Zip: 80202

Contact Name: Melissa Luke

Phone: (303)312-8172

Fax: ()

Email: mluke@hpres.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20040060

WELL LOCATION INFORMATION

QtrQtr: NWSW Sec: 27 Twp: 5N Rng: 63W Meridian: 6

Latitude: 40.370083

Longitude: -104.427288

Footage at Surface: 2505 Feet FNL/FSL FSL 1061 Feet FEL/FWL FWL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 4541

County: WELD

GPS Data:

Date of Measurement: 11/08/2018 PDOP Reading: 1.8 Instrument Operator's Name: JAMES FRESHWATER

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

Footage at Top of Prod Zone: FNL/FSL FNL 460 FWL 959 FNL 400 FWL
Bottom Hole: FNL/FSL FNL 400 FWL
Sec: 27 Twp: 5N Rng: 63W Sec: 27 Twp: 5N 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: 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.)

Please see lease map

Total Acres in Described Lease: 560 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: 703 Feet
Building Unit: 847 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 5280 Feet
Above Ground Utility: 230 Feet
Railroad: 5280 Feet
Property Line: 229 Feet
School Facility: 5280 Feet
School Property Line: 5280 Feet
Child Care Center: 5280 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: 62 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| CODELL | CODL | 190100126 | 640 | All of Sec. 27 |

DRILLING PROGRAM

Proposed Total Measured Depth: 11553 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: 62 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 318A

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Recycle/reuse

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 | 1500 | 730 | 1500 | 0 |
| 1ST | 8+1/2 | 4+1/2 | 11.6 | 0 | 11553 | 2107 | 11553 | 0 |

☒ 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 | <p>The Helton 5-63-27-1609D will be utilizing and amending under API# 05-123-37963 to the following changes: SHL will be moved 2505' FSL and 1061' FWL TPZ will be moved 959' FNL and 460' FWL BHL will be moved 959' FNL and 400' FEL</p> <p>This well is an exception location. Attached is a signed Rule 317.s consent from the offset operator allowing this horizontal well to be drilled withing 150 ft. of the following: North Platte B-27 (05-123-35442) - Bonanza Creek Energy Operating Company LLC</p> <p>The distance to nearest completed portion of offset wellbore permitted or completed in the same formation is the: North Platte B-27 (05-123-35442) - Bonanza Creek Energy Operating Company LLC, which is approximately 62 ft. away.</p> <p>Distance to the nearest completed portion of the wellbore in the same formation and nearest existing or proposed wellbore belonging to another operator were measured utilizing COGCC's GIS Online data, anti-collision plans, and HPOC's offset well evaluation.</p> <p>Rule 318A.a (drilling window) and Rule 318A.c (twinning) were waived by the surface owner within the attached surface use agreement (SUA).</p> <p>Please note that this well is located on an existing pad with producing wells on it.</p> <p>The Helton 5-63-27-1609D will be using API# 05-123-37963 from recently withdrawn permit belonging to the Helton 5-63-27-3225CH. SHL will be moved 2505' FSL and 1061' FWL TPZ will be moved 969' FNL and 460' FWL BHL will be moved 959' FNL and 400' FEL</p> <p>Casing and cement plans have been updated because of the SHL, TPZ, & BHL footage changes, and we will now produce this well as a monobore well.</p> <p>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 460' of Section 27. The wellbore beyond the unit boundary setback will be physically isolated and will not be completed.</p> |
|----------|---|

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

Location ID: 434121

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: Melissa Luke

Title: Regulatory Specialist Date: _____ Email: mluke@hpres.com

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: _____
Expiration Date: _____

API NUMBER

05 123 37963 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

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. |
| 3 | Drilling/Completion Operations | 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 operation for the proposed well. Notice shall be give to all offset operators prior to drilling. |

Total: 3 comment(s)

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|---------------------------|----------------------------|
| 401939174 | OffsetWellEvaluations Data |
| 401939178 | DIRECTIONAL DATA |
| 401942820 | MINERAL LEASE MAP |
| 401942821 | SURFACE AGRMT/SURETY |
| 401942822 | WELL LOCATION PLAT |
| 401943017 | EXCEPTION LOC REQUEST |
| 401959114 | DRILLING PLAN |
| 401959671 | WAIVERS |

Total Attach: 8 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | Stamp Upon Approval |

Total: 0 comment(s)

Public Comments

No public comments were received on this application during the comment period.