



Additional explanation of local process:

SRC worked extensively with the City of Greeley planning department through Greeley's Use by Special Review process to ensure that the Bost 5-7 Well Pad met all necessary requirements of Oil and Gas development within Greeley City Limits. The City of Greeley approved the Use by Special Review Proposal (USR 17:17) on September 9, 2018.

**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: applicant is owner

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.)

5N-67W  
11: NW/4, S/2 and other lands  
See attached Mineral Lease Map.

Total Acres in Described Lease: 5758 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: 1479 Feet  
Building Unit: 1479 Feet  
High Occupancy Building Unit: 5280 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 1226 Feet  
Above Ground Utility: 1258 Feet  
Railroad: 5280 Feet  
Property Line: 408 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, Designated Outside Activity Area, School Facility, and Child Care Center – 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: 10/30/2018

**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: 213 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 150 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

**SPACING & FORMATIONS COMMENTS**

5N-66W, 7: All; 8: All; 5N-67W 11: All; 12: All  
 Codell

**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	407-2705	2564	Sec 7, 8, 11, 12

**DRILLING PROGRAM**

Proposed Total Measured Depth: 18277 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: 306 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? Yes

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: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

\_\_\_\_\_

Beneficial reuse or land application plan submitted? No

Reuse Facility ID: \_\_\_\_\_ 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
CONDUCTOR	24	16	65	0	40	35	40	0
SURF	13+1/2	9+5/8	36	0	1750	531	1750	0
1ST	8+1/2	5+1/2	20	0	18277	2067	18277	

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

The acreage was calculated using Title Opinions from our Attorneys. They take into account all official surveys that become record which may add or, in some cases, reduce a quarter/quarter from the standard 40.00 acres.

In Spacing Tab, unit configuration did not fit so adding this information here: 5N-66W, 7: All; 8: All; 5N-67W 11: All; 12: All. In Spacing Tab, distance proposed wellbore to offset same formation is 213 feet to Bost Farm 13N-11B-L using Plan View Map Measurement. In Drilling Tab, distance proposed wellbore to another operator is 306 feet to ARIEL J 7-12 (05.123.18077) using Anti-Collision Report.

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 496' FSL and 150' FWL of Section 11-5N-67W. The wellbore beyond the unit boundary setback will be physically isolated and will not be completed.

Lot 2 in the NW 1/4 is greater than 40 acres, so the SHL is listed as if the Qtr were divided into QtrQtr.

No Stimulation consent required for this proposed well. However, an Anti-Collision Notice was sent for Ariel J 7-14 (05.123.21858) as the closest productive interval is far greater than 150.

Also, since SRC Energy is the Surface owner of this location, we are waiving ourselves from 318A.a. and 318A.c. Also no SUA needed since SRC Energy is the surface owner.

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

Location ID: 456832

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: Erin Ekblad

Title: Manager Regulatory Affair Date: 2/27/2019 Email: eekblad@srcenergy.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, applicable orders, and SB 19-181 and is hereby approved.

COGCC Approved:  \_\_\_\_\_ Director of COGCC Date: 7/1/2019

Expiration Date: 06/30/2021

**API NUMBER**

05 123 50259 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.
	<p>Operator acknowledges the proximity of the listed well. Operator agrees to: provide mitigation option 1 or 2 (per the DJ Basin Horizontal Offset Policy) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OFFSET MITIGATION COMPLETED") stating that appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well. 05-123-18078, ARIEL J 7-13</p> <p>Operator acknowledges the proximity of the non-operated listed wells. Operator agrees to: provide mitigation option 1 or 2 (per the DJ Basin Horizontal Offset Policy) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OFFSET MITIGATION COMPLETED") stating that appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well. 05-123-18153, UPRC 7-5H6 05-123-11483, WARREN 10-1 05-123-11972, BORESEN 1 05-123-17356, LUNDVALL 13-12 05-123-23317, RAGAN N 14-1</p>
	<p>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:</p> <ol style="list-style-type: none"> <li>1) Within 60 days of rig release, prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation.</li> <li>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.</li> <li>3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.</li> </ol> <p>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 TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log. 3) Oil-based drilling fluid is to be used only after all fresh water aquifers are covered.</p>

## Best Management Practices

<b>No</b>	<b>BMP/COA Type</b>	<b>Description</b>
1	Drilling/Completion Operations	Alternative Logging Program: One of the first wells on this pad will be logged with open-hole resistivity log with 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 state "Alternative Logging Program - No open-hole logs were run", and shall clearly identify the type of log and the well (by API#) in which open-hole logs were run.
2	Drilling/Completion Operations	Operator will comply with COGCC policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg area dated May 29, 2012.
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 operations for the proposed well. Notice shall be given to all offset operators prior to drilling.

Total: 3 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

<b>Att Doc Num</b>	<b>Name</b>
2316556	CORRESPONDENCE
2479098	DIRECTOR CRITERIA REVIEW SUMMARY
401929076	FORM 2 SUBMITTED
401936684	OffsetWellEvaluations Data
401947841	EXCEPTION LOC REQUEST
401947845	MINERAL LEASE MAP
401947846	DIRECTIONAL DATA
401947850	OTHER
401947864	DEVIATED DRILLING PLAN
401952507	WELL LOCATION PLAT
402093422	OFFSET WELL EVALUATION

Total Attach: 11 Files

## General Comments

<b>User Group</b>	<b>Comment</b>	<b>Comment Date</b>
OGLA	COGCC requested additional information regarding proximate Child Care Centers from operator. Although there are 2 licensed facilities within 1 mile of the proposed well, neither meet the statutory definition of Child Care Center. Based on COGCC's review of the permit application, no additional BMPs or COAs are necessary to avoid health, safety, and welfare impacts to those facilities. Update the distance to a Building and Building unit form 1574 to 1479'. attached correspondence	06/28/2019

Permit	The Director Objective Criteria Review Summary (Doc# 247335) has been deleted from this APD.  An updated Director Objective Criteria Review Summary (Doc# 2479098) has been attached to this Form 2 Application for Permit to Drill (APD). Following additional analysis of the Director Objective Criteria, the Director determined that this application meets the standard for the protection of public health, safety, welfare, the environment and wildlife resources set by SB 19-181.	06/25/2019
Permit	The Director Objective Criteria Review Summary (Doc# 247335) is attached to this Form 2 Application for Permit to Drill (APD). Following additional analysis of the Director Objective Criteria, the Director determined that this application meets the standard for the protection of public health, safety, welfare, the environment and wildlife resources set by SB 19-181.	06/17/2019
Permit	With operator concurrence, the Local Government disposition was updated.	05/30/2019
Permit	Permitting review complete, passed Final Review.	05/07/2019
Permit	Corrected QtrQtr Designation from SWNW to NWSW to reflect Well Location Plat. Corrected Spacing Order Number to 407-2705.	05/07/2019
LGD	<p>On September 11, 2018, the City of Greeley Planning Commission approved the Use by Special Review associated with the Bost Farm oil and gas facility (Planning File No. USR 17:17), with the following Conditions of Approval:</p> <p>A.The Roadway Maintenance Agreement must be finalized, with appropriate recording fees obtained, prior to being issued a Notice to Proceed.</p> <p>B.All final reports and plans must be revised so as to be acceptable and approvable by the city, prior to issuance of any permits or a Notice to Proceed, including:</p> <ol style="list-style-type: none"> <li>1.Operations Plan, including revised Emergency Response and Fire Protection Plan (ERFPP), to updated Greeley Fire Department standards</li> <li>2. Construction plans</li> <li>3.Drainage report</li> <li>4.Traffic plan, as discussed in Section G.5 of this report</li> <li>5.Any minor changes to the Site and Landscape plans that may result from the impact of other noted plan and report modifications (i.e., revised detention pond or grading, modified access road, or similar minor modifications as determined appropriate by the Director of Community Development)</li> </ol> <p>C.Preliminary Subdivision for the Bost OG Development (SUB2018-0010) shall be approved by the Planning Commission prior to any drilling operations occurring on-site.</p> <p>a.As a note, the preliminary subdivision was approved on September 25, 2018.</p> <p>The City of Greeley requests that the 2A state permit be amended to include the conditions of approval listed above as sundry comments.Please contact City staff with any questions on this matter.</p> <p>City of Greeley LGD Comments</p> <p>Brad Mueller</p> <p>Brad.Mueller@greeleygov.com</p> <p>(970)350-9786</p>	03/18/2019
Permit	Passed completeness.	02/28/2019

Total: 8 comment(s)