

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 sidetrack</u>	Refilling <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:
08/21/2019

Well Name: Fox Creek Well Number: 33-0362D

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

Address: 555 17TH ST STE 3700

City: DENVER State: CO Zip: 80202

Contact Name: Marjorie Rael Phone: (303)312-8115 Fax: ()

Email: mrael@hpres.com

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 20040060

WELL LOCATION INFORMATION

QtrQtr: NWNW Sec: 33 Twp: 12N Rng: 63W Meridian: 6

Latitude: 40.972070 Longitude: -104.443346

Footage at Surface:	<u>409</u>	Feet	FNL/FSL	<u>1173</u>	Feet	FEL/FWL
			FNL			FWL

Field Name: HEREFORD Field Number: 34200

Ground Elevation: 5470 County: WELD

GPS Data:
Date of Measurement: 03/18/2019 PDOP Reading: 1.5 Instrument Operator's Name: Ryan Williams

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

Footage at Top of Prod Zone:	FNL/FSL	FEL/FWL	Bottom Hole:	FNL/FSL	FEL/FWL
<u>300</u>	FNL	<u>1804</u>	<u>240</u>	FSL	<u>1809</u>
		FWL			FWL

Sec: 33 Twp: 12N Rng: 63W Sec: 4 Twp: 11N Rng: 63W

LOCAL GOVERNMENT INFORMATION

County: WELD Municipality: N/A

Per § 34-60-106 (1)(f)(I)(A), the following questions pertain to the "local government with jurisdiction to approve the siting of the proposed oil and gas location."

The local government with jurisdiction is: County

Does the local government with jurisdiction regulate the siting of Oil and Gas Locations, with respect to this COGCC application? If the local government has waived its right to precede the COGCC in siting determination, indicate by selecting "NO" here and selecting "Waived" below. Yes No

If yes, in checking this box, I hereby certify that an application has been filed with the local government with jurisdiction to approve the siting of the proposed oil and gas location.

The local government siting permit type is: WOGLA

The local government siting permit was filed on: 12/14/2018

The disposition of the application filed with the local government is: Approved

Additional explanation of local process:

WOGLA approved by Weld County LGD on 1/29/2019

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.)

T12N - R63W
SEC 11: ALL
SEC 33: ALL

Total Acres in Described Lease: 1280 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: 5280 Feet
Building Unit: 5280 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 5280 Feet
Above Ground Utility: 419 Feet
Railroad: 5280 Feet
Property Line: 409 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: _____

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: 325 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

Drilling and Spacing Unit:
 12N63W Sec. 33: ALL
 11N63W Sec. 4: ALL

If this Form 2 is associated with a Drilling and Spacing Unit application, provide docket number: _____

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	421-118	1280	Secs 33 & 4: ALL

DRILLING PROGRAM

Proposed Total Measured Depth: 18283 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: 910 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	1621	410	1621	0
1ST	8+3/4	7	23	0	8216	802	8216	1300
1ST LINER	6+1/8	4+1/2	11.6	7316	18283	557	18283	7316

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

- While drilling the 8-3/4" vertical-curve section of the well we were unable to achieve sufficient build-rates to land the wellbore at the planned TVD. After tripping out of the hole and running back in with a larger bend motor, we were still unable to achieve the necessary build rates. As a result, we made the decision to plug back and sidetrack above the planned KOP in order to land the well at the appropriate depth.
- The total measured depth of the wellbore which we are abandoning is 7832' MD.
- The 9-5/8" surface casing string is set at 1621' MD
- There is no fish in the hole.
- There will be a 500' cement plug pumped from 7500' - 7000' MD.
- The Sidetrack KOP will be 7000' MD.
- The objective formation for the sidetrack hole is the Codell formation, which is the same objective formation as the wellbore being abandoned.
- The PBHL of the sidetrack hole is the same as the wellbore being abandoned.

- 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' FSL and 1809' FWL of Section 4. 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: 417093

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: Marjorie Rael

Title: Regulatory Ops Tech Date: 8/21/2019 Email: mrael@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, applicable orders, and SB 19-181 and is hereby approved.

COGCC Approved:  _____ Director of COGCC Date: 8/24/2019
Expiration Date: 08/23/2021

API NUMBER
05 123 48706 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.

<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.

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	Multi Well Open-Hole Logging – Rule 317.p: Alternative Logging Program: 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 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.

Total: 2 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
402151732	FORM 2 SUBMITTED
402152096	WELLBORE DIAGRAM
402152113	OFFSET WELL EVALUATION
402152204	CORRESPONDENCE

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Permitting review complete, passed Final Review.	08/22/2019
Permit	Local government siting, LGD comment, and public comment do not pertain to this application for an unplanned sidetrack wellbore with drilling in progress.	08/22/2019
Permit	Operator corrected the following: Commingled Zone on the Well Name tab. Sidetrack was added to the Other Field. Type of well was corrected to Horizontal. Operator comment for drilling beyond the setback was added. OGLA question was corrected to No. API was corrected to reflect sidetrack. Passed Completeness.	08/22/2019
Permit	Commingled Zones is not correctly filled out on Well Name tab. Other needs to state Unplanned Sidetrack. Type of well on Well Location tab is missing. Operator comment for drilling beyond the setback is missing. This application is not being submitted with an Oil and Gas Location Assessment, so the answer should be No. API is incorrect. Returned to draft for edits.	08/22/2019

Total: 4 comment(s)