

APPLICATION FOR PERMIT TO:

Drill

 Deepen

 Re-enter

 Recomplete and Operate

Date Received:
02/27/2020

TYPE OF WELL OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER: _____	Refiling <input checked="" type="checkbox"/>
ZONE TYPE SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input type="checkbox"/>

Well Name: <u>Simpson</u>	Well Number: <u>36-9H</u>
Name of Operator: <u>EDGE ENERGY II LLC</u>	COGCC Operator Number: <u>10671</u>
Address: <u>1301 WASHINGTON AVE SUITE 300</u>	
City: <u>GOLDEN</u> State: <u>CO</u>	Zip: <u>80401-6138</u>
Contact Name: <u>Erik Larsen</u>	Phone: <u>(720)599-3650</u> Fax: <u>()</u>
Email: <u>elarsen@edgeenergy1.com</u>	

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: <u>20190052</u>

WELL LOCATION INFORMATION			
QtrQtr: <u>NESE</u>	Sec: <u>26</u>	Twp: <u>8N</u>	Rng: <u>66W</u> Meridian: <u>6</u>
Latitude: <u>40.632830</u>		Longitude: <u>-104.736050</u>	
Footage at Surface: <u>2432</u> Feet	FNL/FSL <u>FSL</u> <u>338</u> Feet	FEL/FWL <u>FEL</u>	
Field Name: <u>WILDCAT</u>		Field Number: <u>99999</u>	
Ground Elevation: <u>5014</u>		County: <u>WELD</u>	
GPS Data: GPS Quality Value: <u>2.5</u> Type of GPS Quality Value: <u>PDOP</u> Date of Measurement: <u>06/04/2018</u>			
Instrument Operator's Name: <u>Duncan Hotchkiss</u>			
If well is <input type="checkbox"/> Directional <input checked="" type="checkbox"/> Horizontal (highly deviated) submit deviated drilling plan.			
Footage at Top of Prod Zone: <u>300</u> Feet	FNL/FSL <u>FNL</u> <u>310</u> Feet	Bottom Hole: <u>300</u> Feet	FNL/FSL <u>FSL</u> <u>310</u> Feet
Sec: <u>36</u>	Twp: <u>8N</u>	Rng: <u>66W</u>	Sec: <u>36</u> Twp: <u>8N</u> Rng: <u>66W</u>

LOCAL GOVERNMENT INFORMATION	
County: <u>WELD</u>	Municipality: <u>N/A</u>
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: <u>County</u>	
Does the local government with jurisdiction regulate the siting of Oil and Gas Locations, with respect to this location? If the local government does regulate the siting, but has waived its right to precede the COGCC in siting determination, indicate by selecting "YES" here and selecting "Waived" for the disposition below. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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. <input checked="" type="checkbox"/>	
The local government siting permit type is: <u>WOGLA</u>	
The local government siting permit was filed on: <u>07/18/2019</u>	

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

Additional explanation of local process:

WOGLA 19-0168 approved on 09/04/2019.

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: No

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.)

Township 8 North, Range 66 West, Section 36

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

Federal or State Lease # OG-107228

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 300 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 2677 Feet

Building Unit: 2677 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 333 Feet

Above Ground Utility: 370 Feet

Railroad: 3921 Feet

Property Line: 216 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: 290 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

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	535-1237	640	T8N R66W Sec: 36

DRILLING PROGRAM

Proposed Total Measured Depth: 13060 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: 771 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? 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 609

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? _____

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	26	16	65	0	80	100	80	0
SURF	13+1/2	9+5/8	36	0	1500	479	1500	0
1ST	8+3/4	5+1/2	20	0	13060	2124	13060	

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

Distance from completed portion of the wellbore to nearest wellbore permitted or completed well in the same formation and within the unit was measured to the drilled Simpson 36-1H measured in 2-D.

The distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells was measured to the DG Evenstar EE 01-039HC API#: 05-123-44150, Bayswater Exploration & Production LLC in 2-D separation.

The Evenstar wells expired in February of 2019 but have a pending refiled form 2.

Changes to this well are landing point, bottom hole, casing and cement program.

The oil and gas location has been built and has a producing well on it.

A Form 4 (Doc. #402190139) was approved on 10/7/19 amending the BMP's for the location per the Directors criteria.

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

Location ID: 457767

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: Andrea Gross

Title: Permit Agent Date: 2/27/2020 Email: Agross@upstreampm.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: 4/13/2020

Expiration Date: 04/12/2022

API NUMBER

05 123 48067 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

Drilling/Completion Operations	Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017).
Drilling/Completion Operations	If conductors are preset, operator shall comply with Notice to Operators: Procedures for Preset Conductors (dated September 1, 2016, revised October 6, 2016).
Drilling/Completion Operations	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.
Drilling/Completion Operations	1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU (Spud Notice), for the first well/activity on the pad and provide 48 hour spud notice for all subsequent wells drilled on the pad. 2) Comply with Rule 317.j and provide cement coverage from the end of production casing 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 aquifers are covered.

Best Management Practices

No	BMP/COA Type	Description
1	Drilling/Completion Operations	Bradenhead Monitoring: Operator acknowledges and will comply with COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.
2	Drilling/Completion Operations	Wellbore Collision Prevention-Rule 317.r Prior to drilling operations, Edge Energy II will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument and compared against the proposed well path with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottom hole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. Per 317.r notice shall be given to all offset operators prior to drilling.
3	Drilling/Completion Operations	Alternative Logging Program: One of the first wells drilled on the pad will be logged with an open-hole resistivity log and gamma-ray, from the kick-off point into the surface casing. All wells on the pad will have a cement bond log (CBL) 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 "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: 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

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

Att Doc Num	Name
402322148	FORM 2 SUBMITTED
402322189	DEVIATED DRILLING PLAN
402322190	WELL LOCATION PLAT
402322191	SURFACE AGRMT/SURETY
402326056	OffsetWellEvaluations Data
402326058	DIRECTIONAL DATA
402369055	OFFSET WELL EVALUATION

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	04/13/2020
Permit	Surface Restoration Bond on file with SLB. Permitting Review Complete.	04/13/2020
Permit	The Form 2A #401687545 for the location, ID #457767, was approved prior to implementation of SB 19-181. The Director approved a refile Form 2 for the location on 10/11/2019 under the statutory authority provided through SB 19-181, including the Objective Criteria. The well proposed by this related Form 2 was contemplated during COGCC's review of the Form 2A and the mitigation measures that were applied during the subsequent Objective Criteria Review for the location. The Objective Criteria Review Memo (Doc# 2158190) can be found in the document file for this Location.	04/09/2020
Engineer	Offset Wells Evaluated	04/02/2020
Permit	Corrected refiled API number with Operator's consent. Emailed the State Land Board (SLB) for verification of Surface Restoration Bond.	03/05/2020
Permit	Updated local government explanation of process with WOGLA number with Operator's consent.	03/04/2020
Permit	Passed completeness.	03/03/2020
Permit	Type of GPS quality value not filled out on Well Location tab. Return to draft.	02/28/2020

Total: 8 comment(s)