

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

Additional explanation of local process:

1041 WOGLA received 12/18/2019 (Record # 1041WOGLA19-0036) Approved on 2/27/2020.

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.)

T6N - R62W
SEC 35: NW/4, W/2NE/4

See attached Mineral Lease Map.

Total Acres in Described Lease: 240 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: 4755 Feet

Building Unit: 4943 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 5280 Feet

Above Ground Utility: 264 Feet

Railroad: 5280 Feet

Property Line: 299 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: 589 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

Township 6 North, Range 62 West, 6th P.M.
Section 34: All
Section 35: 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| NIOBRARA | NBRR | 407-945 | 1280 | 6N-62W: 34 & 35 All |

DRILLING PROGRAM

Proposed Total Measured Depth: 16651 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: 987 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: Land application

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Beneficial reuse

Other Disposal Description:

Beneficial reuse or land application plan submitted? Yes

Reuse Facility ID: 462030 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 | 800 | 264 | 800 | 0 |
| 1ST | 8+3/4 | 7 | 23 | 0 | 7108 | 339 | 7108 | 3500 |
| 2ND | 6+1/8 | 4+1/2 | 11.6 | 0 | 16651 | 472 | 16651 | 6450 |

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 proposed well has an approved Location ID 474768.

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 529' FNL and 460' FWL of Section 34. The wellbore beyond the unit boundary setback will be physically isolated and will not be completed.

In Drilling Tab, distance is 987 feet to Wells Ranch AE32-685 (05-123-41731) using 3D in Plan View Map Measurement which is a producing well owned by Noble. No Stimulation Consent required. In Spacing Tab, distance is 589 feet to Fiducial 6-62-34-1609BH2 using 3D Plan View Map Measurement.

Exception location waiver signed by surface owner attached.

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

Location ID: 474768

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: Regulatory Supervisor Date: 6/10/2020 Email: eekblad@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: 8/3/2020

Expiration Date: 08/02/2022

| |
|--------------------------------------|
| API NUMBER 05 123 51147 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> |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Drilling/Completion Operations | 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. |
| 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

| <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 | 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 measuredwhile- 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 openhole logs shall state. Alternative Logging Program -No open-hole logs were runand shall clearly identify the type of log and the well (by API#) in which openhole logs were run. |
| 3 | Drilling/Completion Operations | Prior to drilling operations, HighPoint 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 will 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. |

Total: 3 comment(s)

Applicable Policies and Notices to Operators

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> |
|--------------------|----------------------------|
| 402352024 | FORM 2 SUBMITTED |
| 402411371 | DEVIATED DRILLING PLAN |
| 402411372 | DIRECTIONAL DATA |
| 402411387 | WELL LOCATION PLAT |
| 402417130 | MINERAL LEASE MAP |
| 402417188 | SURFACE AGRMT/SURETY |
| 402417371 | OffsetWellEvaluations Data |
| 402418024 | EXCEPTION LOC WAIVERS |
| 402418025 | EXCEPTION LOC REQUEST |
| 402458601 | OFFSET WELL EVALUATION |

Total Attach: 10 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Permit | Final Review Completed. | 07/30/2020 |
| Permit | COGCC staff conducted its technical review of this Form 2 Application for Permit to Drill (APD) and the previously approved Oil and Gas Location Assessment associated with this APD within the context of SB 19-181 and the required Objective Criteria. This APD did not meet any of the Objective Criteria and is compliant with all applicable COGCC Rules. | 07/29/2020 |
| Permit | The following corrections were made with operator concurrence: Distance to nearest well on spacing tab and the submit tab comment related to this distance | 07/29/2020 |
| Engineer | Offset Wells Evaluated | 07/02/2020 |
| Permit | Passed completeness. | 06/23/2020 |

Total: 5 comment(s)