

FORM 2 Rev 02/20

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: 402495717

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Date Received: 09/25/2020

TYPE OF WELL OIL GAS COALBED OTHER: ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refiling Sidetrack

Well Name: Salt Ranch Fee Well Number: 201-1807H Name of Operator: CCRP OPERATING INC COGCC Operator Number: 10665 Address: 717 17TH STREET STE 1525 City: DENVER State: CO Zip: 80202 Contact Name: Mike Fuller Phone: (720)279-1054 Fax: () Email: mfuller@clearcreekrp.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20190020

WELL LOCATION INFORMATION

QtrQtr: SESE Sec: 18 Twp: 11N Rng: 64W Meridian: 6 Latitude: 40.914517 Longitude: -104.584024 Footage at Surface: 331 Feet FSL 938 Feet FEL Field Name: WILDCAT Field Number: 99999 Ground Elevation: 5603 County: WELD GPS Data: GPS Quality Value: 1.5 Type of GPS Quality Value: PDOP Date of Measurement: 01/27/2020 Instrument Operator's Name: Rob Wilson

If well is Directional Horizontal (highly deviated) submit deviated drilling plan. Footage at Top of Prod Zone: 300 FSL 350 FEL Bottom Hole: 300 FNL 350 FEL Sec: 18 Twp: 11N Rng: 64W Sec: 7 Twp: 11N Rng: 64W

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 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. 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: 1041 WOGLA

The local government siting permit was filed on: 04/22/2019

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

Additional explanation of local process:

1041 WOGLA 19-0058 was approved on 05/09/19.

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.)

T11N R64W Sec. 7: NE; Sec. 8: All; Sec. 10: All; Sec. 17: West 53.33 acres of SE, East 106.67 acres of SE; Sec. 18: NESW, N2SE; NE, Lot 3; Sec. 19: SE; Sec. 20: All; Sec. 29: NW; T11N R65W Sec. 12: SENE, SE, S2SW, NESW; Sec. 23: NENE; Sec. 24: E2

Total Acres in Described Lease: 3563 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: 5280 Feet

Railroad: 5280 Feet

Property Line: 331 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: 618 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.)
NIOBRARA	NBRR	535-918	1300	Sec. 18 and 7

DRILLING PROGRAM

Proposed Total Measured Depth: 18355 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: _____ 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	43	0	80	400	80	0
SURF	13+1/2	9+5/8	36	0	1850	683	1850	0
1ST	8+1/2	5+1/2	17	0	18355	3420	18355	

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 distance from the completed portion of the proposed wellbore to the nearest completed portion of offset wellbore permitted or completed in the same formation was taken from the proposed Salt Ranch Fee 501-1807H on the same wellpad. The distance was measured in 2D.

There are no wells within 1,500' owned or operated by another operator.

Changes to the original submission are: surface hole, landing point and bottom hole locations, distance to nearest well on the pad. The changes that have been made to the well construction are outlined on the attached updated directional plan and well location plat. No changes have been made to the mineral lease description or the SUA from the original submission. The well location pad has been built. No drilling activity has occurred. No changes have been made to the surrounding land use.

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

Location ID: 456651

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: 9/25/2020 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: 12/30/2020

Expiration Date: 12/29/2022

API NUMBER

05 123 47599 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>
Interim Reclamation	Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017)
Interim Reclamation	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	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) Provide cement coverage from TD to a minimum of 500' above Niobrara. Verify coverage with cement bond log. 3) Oil-based drilling fluid is to be used only after setting surface casing. 4) Increase surface casing setting depth to 1850' and adjust cement volume accordingly.
Drilling/Completion Operations	Bradenhead Testing 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.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	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 to 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 "Alternative Logging Program - No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run."
2	Drilling/Completion Operations	Bradenhead Monitoring: Operator acknowledges and will comply with COGCC Policy for Braden-head Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.

Total: 2 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 List

<u>Att Doc Num</u>	<u>Name</u>
402495717	FORM 2 SUBMITTED
402496578	DIRECTIONAL DATA

402496579	WELL LOCATION PLAT
402497171	DEVIATED DRILLING PLAN
402497736	OffsetWellEvaluations Data
402564065	OFFSET WELL EVALUATION

Total Attach: 6 Files

General Comments

User Group	Comment	Comment Date
Permit	Final Review Completed.	12/28/2020
Permit	-Received consent from the operator to add/ change the following: 1.Updated the open hole logging BMP 2.Added the built location COA -Passed Permit Review	12/28/2020
Permit	Following additional analysis arising out of the Objective Criteria, the Director determined that this application meets the standard for the protection of public health, safety, and welfare and the environment, including wildlife resources set by SB 19-181. The Objective Criteria Review Memo (Doc# 1348000) can be found in the document file for Location ID 456651.	12/23/2020
Permit	-Waiting on the operator's response about the following: 1.Updating the open hole logging BMP 2.Adding the built location COA	12/23/2020
Engineer	•Surface Casing Check complete •Offset well review complete 317.r - No wells 317.s - No wells •Engineering review complete	12/02/2020
OGLA	IN PROCESS comment - Received requested information from operator on 11/17/2020. COGCC review will resume and be conducted within 60 days (by 1/16/2021).	11/18/2020

OGLA	<p>ON HOLD: This application has been reviewed by COGCC staff and cannot be approved based on the information submitted; therefore, the COGCC is placing this form ON HOLD until additional information is received from the applicant. In compliance with § 24-65.1-108(1), C.R.S., the COGCC is providing this written request for all additional information necessary for the COGCC to respond to this application. The applicant may provide all requested additional information to COGCC via email. Upon receipt of all requested information, the COGCC will have 60 days in which to approve, deny, or request all additional information necessary to complete the regulatory review. If the applicant no longer requires this application be approved, the applicant may request to withdraw the application.</p> <p>In addition to all standard required information and attachments, the COGCC hereby confirms the following information is necessary for review:</p> <p>1. This Form 2 application meets one or more Objective Criteria. The applicant must address the Objective Criteria on a Form 4 Sundry Notice submitted to the related Location ID (Loc ID# 456651). The Form 4 shall include updated Best Management Practices to address the following:</p> <ul style="list-style-type: none"> a. Pertaining to Objective Criteria #8: Provide a tank berm BMP for any berm and liner planned to be used for the tank area. b. Pertaining to Objective Criteria #8: Provide a BMP for any berm and liner containment surrounding the separators. c. Pertaining to Objective Criteria #8: Provide a BMP for remote monitoring/shut-in capabilities at the location. d. Pertaining to Objective Criteria #8: Provide an updated stormwater management BMP providing examples (including but not limited to) of what types of controls are to be implemented on the location. e. New LOCATION DRAWING attachment showing the new well layout. f. New MULTI-WELL PLAN attachment showing the new proposed wellbore orientations. <p>2. The following informational questions relating to the Objective Criteria Review must also be answered, but may be answered in direct response to this email, rather than via the above mentioned Form 4 Sundry:</p> <ul style="list-style-type: none"> a. Pertaining to Objective Criteria #8: Is there an Emergency Response Plan in place for this location? If so, with which local Emergency Responders? Please add this information to the "Submit" tab comment box for any Sundry submitted to update location BMPs. 	11/02/2020
Permit	Passed Completeness.	10/06/2020
Permit	Date of measurement does not match Well Location Plat. Return to draft.	09/29/2020

Total: 9 comment(s)