

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Date Received:
07/02/2019

TYPE OF WELL OIL GAS COALBED OTHER: _____

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refiling
Sidetrack

Well Name: REEMAN Well Number: 4X-HNC-04-06-65

Name of Operator: NICKEL ROAD OPERATING LLC COGCC Operator Number: 10669

Address: 1600 STOUT STREET SUITE 1850

City: DENVER State: CO Zip: 80202

Contact Name: JENNIFER LIND Phone: (303)406-1117 Fax: ()

Email: JENNIFER.LIND@NICKELROADOPERATING.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20170087

WELL LOCATION INFORMATION

QtrQtr: SWNW Sec: 5 Twp: 6N Rng: 65W Meridian: 6

Latitude: 40.517723 Longitude: -104.692972

Footage at Surface: 2345 Feet FNL/FSL FNL 1077 Feet FEL/FWL FWL

Field Name: WATTENBERG Field Number: 90750

Ground Elevation: 4818 County: WELD

GPS Data:
Date of Measurement: 08/01/2018 PDOP Reading: 1.5 Instrument Operator's Name: DAHLMAN

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

2562 FNL 601 FWL 2643 FNL 2195 FWL

Sec: 5 Twp: 6N Rng: 65W Sec: 4 Twp: 6N Rng: 65W

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: _____

The local government siting permit was filed on: _____

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

Additional explanation of local process:

WOGLA application submitted 04/03/2019

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: oil and gas lease

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-R65W-SEC.5: NESW, W/2 SE

Total Acres in Described Lease: 120 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: 526 Feet

Building Unit: 1168 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 1065 Feet

Above Ground Utility: 596 Feet

Railroad: 3023 Feet

Property Line: 215 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 INFORMATIONDistance from completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 201 FeetDistance 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

AMENDED SPACING UNIT PENDING SEPTEMBER 2019 HEARING (DOCKET # 190900540)
 AMENDED UNIT CONFIGURATION:
 T6N-R65W, SEC.4: W/2; SEC.5: ALL
 960 ACRES

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		960	S.4: W/2, S.5: ALL

DRILLING PROGRAMProposed Total Measured Depth: 14535 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: 174 Feet No well belonging to another operator within 1,500 feetWill a closed-loop drilling system be used? YesIs 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? NoWill salt based (>15,000 ppm Cl) drilling fluids be used? NoWill oil based drilling fluids be used? YesBOP 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 DisposalCuttings 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	24	16	42	0	80	100	80	0
SURF	13+1/2	9+5/8	36	0	1510	420	1510	0
1ST	8+1/2	5+1/2	20	0	14535	1865	14535	1000

 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 completed portion of the wellbore does not penetrate the described lease but the lease is within the unit. Please note, described lease is not the lease under the surface location as NRO does not hold that lease with the mineral / surface owner. Right to construct is "Oil and Gas Lease" as the lease under the surface is within the proposed unit. NRO does have a Surface Use Agreement in place.

Distance from completed portion to nearest completed portion of wellbore permitted/completed in the same formation and subject to the proposed spacing order measured to the proposed Reeman 4X-HNB-04-06-65 at 201'. Distance measured in 3D anti-collision.

Distance to nearest wellbore belonging to another operator measured to the O Investment Properties 6Y-401 (05-123-37271, XX) at 174'. Other operator wells with treated interval less 175' from the treated interval of the proposed well (not listed as nearest due to AL status):

Teakwood EF 33-221HN (05-123-39407, AL) at 153'
Teakwood EF 33-222HN (05-123-39406, AL) at 156'
Teakwood EF 33-224HN (05-123-39408, AL) at 157'
Teakwood EF 33-224HC (05-123-39403, AL) at 161'
Teakwood EF 33-227HN (05-123-39409, AL) at 163'
Teakwood EF 33-227HC (05-123-39410, AL) at 167'
Teakwood EF 33-229HN (05-123-39404, AL) at 169'
Teakwood EF 33-230HN (05-123-39405, AL) at 169'
Distances measured in 2D map view.

Nickel Road requests the approval of a Rule 318Aa. (GWA Window) & 318Ac. (GWA Twinning) exception location. Exception location waiver is included in the attached SUA, request letter attached.

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

Location ID: _____

Is this application being submitted with an Oil and Gas Location Assessment application? Yes

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____

Print Name: JENNIFER LIND

Title: REG & ENV MANAGER

Date: 7/2/2019

Email: JENNIFER.LIND@NICKELRO

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: _____

Expiration Date: _____

API NUMBER

05

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	Offset Wells Evaluated
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.
Drilling/Completion Operations	Operator acknowledges the proximity of the following 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") for the remediated wells, referencing the API number of the proposed horizontal well(s) stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well. Johnson 11A-4 (API NO 123-14135)Gies E 5-3 (API NO 123-17829) Ottoson 32-15 (API NO 123-17118)Ottoson 32-16 (API NO 123-17119)

Best Management Practices

No	BMP/COA Type	Description
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	Anti-collision: 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.
3	Drilling/Completion Operations	Operator acknowledges and will comply with COGCC policy for Bradenhead Monitoring during Hydraulic Fracturing treatments in the Greater Wattenberg Area dated May 29, 2012.

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
402081109	FORM 2 SUBMITTED
402090179	SURFACE AGRMT/SURETY
402090181	EXCEPTION LOC REQUEST
402090185	DEVIATED DRILLING PLAN
402090186	WELL LOCATION PLAT
402090187	DIRECTIONAL DATA
402094443	OffsetWellEvaluations Data

Total Attach: 7 Files

General Comments

User Group	Comment	Comment Date
Permit (Rejected)	This APD has been rejected per the COGCC Rejection Process (updated May 21, 2019). The Right to Construct is incorrect. The minerals given are not under the surface and the Surface Use Agreement description is unclear and requires a map on this APD and on 31 other APDs on the pad. This entire form was not reviewed by permitting staff.	10/24/2019
Permit	Entered the Local Government Information provided by the operator.	07/22/2019
Permit	Passed Completeness.	07/09/2019

Total: 3 comment(s)

Public Comments

No public comments were received on this application during the comment period.

REJECTED