

FORM 2 Rev 12/20

State of Colorado Oil and Gas Conservation Commission 1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



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APPLICATION FOR PERMIT TO:

[X] Drill [] Deepen [] Re-enter [] Recomplete and Operate

Amend [] Refile [X] Sidetrack []

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

Well Name: Double J Well Number: 35-11-4NCH Name of Operator: PROVIDENCE OPERATING LLC DBA POCO OPERATING COGCC Operator Number: 10694 Address: 16400 DALLAS PARKWAY SUITE 400 City: DALLAS State: TX Zip: 75428 Contact Name: Meghan Grimes Phone: (720)441-0720 Fax: Email: mgrimes@providence-energy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20180056

WELL LOCATION INFORMATION

Surface Location

QtrQtr: NWSE Sec: 35 Twp: 1N Rng: 65W Meridian: 6 Footage at Surface: 2341 Feet FSL 2241 Feet FEL Latitude: 40.006990 Longitude: -104.629820 GPS Data: GPS Quality Value: 1.8 Type of GPS Quality Value: PDOP Date of Measurement: 06/26/2017 Ground Elevation: 5066 Field Name: WATTENBERG Field Number: 90750

Well Plan: is [] Directional [X] Horizontal (highly deviated) [] Vertical If Well plan is Directional or Horizontal attach Deviated Drilling Plan and Directional Data.

Subsurface Locations

Top of Productive Zone (TPZ) Sec: 35 Twp: 1N Rng: 65W Footage at TPZ: 2178 FSL 855 FEL Measured Depth of TPZ: 7652 True Vertical Depth of TPZ: 7150 FNL/FSL FEL/FWL Base of Productive Zone (BPZ) Sec: 11 Twp: 1S Rng: 65W Footage at BPZ: 2191 FNL 855 FEL Measured Depth of BPZ: 17142 True Vertical Depth of BPZ: 7150 FNL/FSL FEL/FWL Bottom Hole Location (BHL) Sec: 11 Twp: 1S Rng: 65W Footage at BHL: 2296 FNL 855 FEL FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: WELD Municipality: N/A

Is the Surface Location of this Well in an area designated as one of State interest and subject to the requirements of § 24-65.1-108 C.R.S.? Yes

Per § 34-60-106(1)(f)(I)(A) C.R.S., the following questions pertain to the Relevant Local Government approval of the siting of the proposed Oil and Gas Location.

SB 19-181 provides that when "applying for a permit to drill," operators must include proof that they sought a local government siting permit and the disposition of that permit application, or that the local government does not have siting regulations. § 34-60-106(1)(f)(I)(A) C.R.S.

Does the Relevant Local Government regulate the siting of Oil and Gas Locations, with respect to this Location? 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 disposition of the application filed with the Relevant Local Government is: Approved Date of Final Disposition: 06/12/2018

Comments: The case number is WOGLA 18-0057.

SURFACE AND MINERAL OWNERSHIP AT WELL'S OIL & GAS LOCATION

Surface Owner of the land at this Well's Oil and Gas Location: Fee State Federal Indian

Mineral Owner beneath this Well's Oil and Gas Location: Fee State Federal Indian

Surface Owner Protection Financial Assurance (if applicable): _____ Surety ID Number (if applicable): _____

MINERALS DEVELOPED BY WELL

The ownership of all the minerals that will be developed by this Well is (check all that apply):

- Fee
- State
- Federal
- Indian
- N/A

LEASE INFORMATION

Using standard QtrQtr, Section, Township, Range format describe one entire mineral lease as follows:

- * If this Well is within a unit, describe a lease that will be developed by the Well.
 - * If this Well is not subject to a unit, describe the lease that will be produced by the Well.
- (Attach a Lease Map or Lease Description or Lease if necessary.)

T1S R65W Section 2: W2

Total Acres in Described Lease: 320 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 802 Feet
 Building Unit: 2173 Feet
 Public Road: 2220 Feet
 Above Ground Utility: 2205 Feet
 Railroad: 5280 Feet

INSTRUCTIONS:
 - Specify all distances per Rule 308.b.(1).
 - 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 – as defined in 100 Series Rules.

Property Line: 301 Feet

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	407-2550	1256	T1S R65W Sec 2: All; Sec 11: N2; T1N R65W Sec 35: S2

Federal or State Unit Name (if appl): _____ Unit Number: _____

SUBSURFACE MINERAL SETBACKS

Enter 5280 for distance greater than 1 mile.

Is this Well within a unit? Yes

If YES:

Enter the minimum distance from the Completed Zone of this Well to the Unit Boundary: 460 Feet

Enter the minimum distance from the Completed Zone of this Well to the Completed Zone of an offset Well within the same unit permitted or completed in the same formation: 395 Feet

If NO:

Enter the minimum distance from the Completed Zone of this Well to the Lease Line of the described lease: _____ Feet

Enter the minimum distance from the Completed Zone of this Well to the Completed Zone of an offset Well producing from the same lease and permitted or completed in the same formation: _____ Feet

Exception Location

If this Well requires the approval of a Rule 401.c Exception Location, enter the Rule or spacing order number and attach the Exception Location Request and Waivers. _____

SPACING & FORMATIONS COMMENTS

DRILLING PROGRAM

Proposed Total Measured Depth: 17247 Feet TVD at Proposed Total Measured Depth 7150 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: 500 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 Plan unless a plan was already submitted with the Form 2A per Rule 304.c.(10).

Will there be hydraulic fracture treatment at a depth less than 2,000 feet in this well? No

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

Beneficial reuse or land application plan submitted? _____

Reuse Facility ID: _____ or Document Number: _____

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: 6/10/2021

Expiration Date: 06/09/2024

API NUMBER 05 123 49314 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.

Condition of Approval

<u>COA Type</u>	<u>Description</u>
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 2 business days prior to MIRU (spud notice) for the first well activity with a rig on the pad and provide 2 business day spud notice via Form 42 for all subsequent wells drilled on the pad. 2) Comply with Rule 408.j. and 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 all fresh water aquifers are covered.
Drilling/Completion Operations	Operator acknowledges the proximity of the listed non-operated wells. Operator assures that this offset list will be remediated per the DJ Basin Horizontal Offset Policy (option 3). Operator will submit a Form 42 ("OFFSET MITIGATION COMPLETED") stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well. 123-13073 STATE #36-2 001-08057 KALLSEN #1 001-06245 WARREN FARMS INC A #1 001-08027 WARREN #1-2
Drilling/Completion Operations	Operator acknowledges the proximity of the non-operated listed well. 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") stating that appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well. 123-12709 JORDAN #34-4 001-08755 Ruebel, et al #1-4
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.
Construction	If location is not constructed by 2A expiration (12/20/2021), a refile Form 2A must be approved prior to location construction.
6 COAs	

Best Management Practices

No	BMP/COA Type	Description
1	Drilling/Completion Operations	Wellbore Collision Prevention -Rule 408.t: Prior to drilling operations, 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. The Operator will give notice to all offset Operators prior to drilling.
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 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.

Total: 2 comment(s)

Attachment List

Att Doc Num	Name
402575412	FORM 2 SUBMITTED
402582269	OffsetWellEvaluations Data
402715455	OFFSET WELL EVALUATION

Total Attach: 3 Files

General Comments

User Group	Comment	Comment Date
Engineer	Sussex/Shannon noted as unproductive horizon.	06/10/2021
OGLA	IN PROCESS - 1041 Additional Information Received 05/28/2021	06/02/2021
OGLA	Operator provided updated Location BMPs via Form 4 Sundry 402676500 - 05/28/2021 OGLA review complete	06/02/2021
Permit	Final Review Completed.	05/04/2021
Engineer	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 addition to all standard required information and attachments, the COGCC hereby confirms the following information is necessary for review: Potential flow zone table does not list Upper Pierre groundwater Casing program does not provide adequate isolation of the Upper Pierre Feedback received 03-May-2021. Engineering review complete.	03/31/2021
Permit	Permitting review complete.	02/25/2021
Permit	Anti-Collision BMP refers to old rule number. Bradenhead BMP should be updated to Rule 419.b. Return to draft.	02/11/2021

Total: 7 comment(s)