

FORM
2

Rev
12/05

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:

400326252

Date Received:

09/17/2012

PluggingBond SuretyID

20110188

APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COALBED OTHER _____
SINGLE ZONE MULTIPLE COMMINGLE

Refiling

Sidetrack

3. Name of Operator: TEKTON WINDSOR LLC

4. COGCC Operator Number: 10392

5. Address: 640 PLAZA DRIVE #290

City: HIGHLANDS RANCH State: CO Zip: 80129

6. Contact Name: CLAYTON DOKE Phone: (970)669-7411 Fax: (970)669-4077

Email: cdoke@petersonenergy.com

7. Well Name: RAINDANCE 3 Well Number: 1-1-32-090-4-CH

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 11924

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 30 Twp: 6N Rng: 67W Meridian: 6

Latitude: 40.451250 Longitude: -104.928010

Footage at Surface: 201 feet FNL/FSL FSL 418 feet FEL/FWL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4979 13. County: WELD

14. GPS Data:

Date of Measurement: 09/06/2012 PDOP Reading: 2.3 Instrument Operator's Name: BRIAN T. BRINKMAN

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 660 FNL 460 FWL 660 FNL 460 FEL 660 FNL 460 FEL
Bottom Hole: FNL/FSL 660 FNL 460 FEL 660 FNL 460 FEL
Sec: 32 Twp: 6N Rng: 67W Sec: 32 Twp: 6N Rng: 67W

16. Is location in a high density area? (Rule 603b)? Yes No

17. Distance to the nearest building, public road, above ground utility or railroad: 484 ft

18. Distance to nearest property line: 118 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 660

20. LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CODELL	CODL		320	GWA

21. Mineral Ownership: Fee State Federal Indian Lease #: _____

22. Surface Ownership: Fee State Federal Indian

23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID#: _____

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No

23b. If 23 is No: Surface Owners Agreement Attached or \$25,000 Blanket Surface Bond \$2,000 Surface Bond \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

MULTIPLE LEASES COVERING: TOWNSHIP 6 NORTH, RANGE 67 WEST, SECTION 32; N/2

25. Distance to Nearest Mineral Lease Line: 460 ft 26. Total Acres in Lease: 320

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? Yes No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? Yes No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? Yes No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? Yes No

31. Mud disposal: Offsite Onsite

If 28, 29, or 30 are "Yes" a pit permit may be required.

Method: Land Farming Land Spreading Disposal Facility Other: _____

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+1/4	9+5/8	36	0	850	445	850	0
1ST	8+3/4	7	23	0	7,685	120	7,685	6,905
1ST LINER	6+1/8	4+1/2	11.6	6993	11,924			

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None

33. Comments No conductor casing will be run. This well is a Rule 318A(l).a.(4)D Horizontal GWA Well; Proposed Spacing Unit: N/2 Sec. 32 T6N R67W. PSU Map is attached. 318A(l).a.(4) well, notices were mailed: 09/13/12. The affidavit of mailing is attached. 30-day certification detailing if objections were received will be sent on or about 10/15/12 contingent upon the date of receipt and after the 30-day period has expired. Operator requests a rule 318A(l).a and 318A(l).c exception location; this well surface location is outside the GWA drilling windows and is greater than 50' from an existing well. Rule 318A(i).a and Rule 318A(l).c request and waiver are attached. Operator also requests a Rule 603.a.(2) exception location; this well is located less than 150' from the property line. The affected surface owner is the same as the surface owner for this location. Rule 603.a.(2) request and waiver are attached.

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? Yes No

36. Is this application part of submitted Oil and Gas Location Assessment ? Yes No

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

Signed: _____ Print Name: CLAYTON DOKE

Title: PETROLEUM ENGINEER Date: 9/17/2012 Email: cdoke@petersonenergy.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 and applicable orders and is hereby approved.

COGCC Approved: Matthew Lee Director of COGCC Date: 10/18/2012

API NUMBER

05 123 36172 00

Permit Number: _____ Expiration Date: 10/17/2014

CONDITIONS OF APPROVAL, IF ANY:

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.

- 1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well. The Completed Interval Report, Form 5A will explicitly detail how those portions of the well outside of the legal setback are isolated from production.

Operator must meet Water Well Testing requirements as per amended Rule 318Ae(4)

Attachment Check List

Att Doc Num	Name
1699139	PROPOSED SPACING UNIT
400326252	FORM 2 SUBMITTED
400326363	WELL LOCATION PLAT
400326365	DEVIATED DRILLING PLAN
400326366	DIRECTIONAL DATA
400326807	PROPOSED SPACING UNIT
400326808	PROPOSED SPACING UNIT
400326814	EXCEPTION LOC REQUEST
400326815	EXCEPTION LOC REQUEST
400326816	SURFACE AGRMT/SURETY
400327344	EXCEPTION LOC WAIVERS
400327345	EXCEPTION LOC WAIVERS

Total Attach: 12 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Uploaded and attached proposed spacing - Certification letter as per opr. BHL is correct on the Plat. Corrected well type from Directional to HZ and notified opr. Final reveiw complete.	10/16/2012 11:17:42 AM
Permit	Attached BMP's as per opr. Form on hold for 30 Day cert letter.	10/2/2012 11:04:00 AM
Permit	Requested Anti-collision and frac stim BMPs from opr. On hold for: 30-day certification detailing if objections were received will be sent on or about 10/15/12 contingent upon the date of receipt and after the 30-day period has expired.	9/24/2012 1:52:32 PM
Permit	Operator requests approval of a Rule 318Aa and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Request and waivers attached. Operator requests approval of a Rule 603.a.(2) exception location: Wellhead is to be located less than 150' from a property line. Request letter and waivers attached.	9/24/2012 1:50:11 PM
LGD	Below please find the conditions of approval that are typically applied to conditional use grants for oil and gas operations located within Town. Therefore, the Town recommends the following conditions be placed on the abovementioned oil and gas facilities: 1. Prior to the commencement of drilling, the applicant shall submit comprehensive "Drilling and Site Improvement Plans" for review and approval by the Town. Such plans shall address initial drilling activities, initial installation of site improvements	9/18/2012 2:22:59 PM

and details, and on-going perpetual maintenance of the subject site including, but not limited to, the following:

a. Site access plan. The Drilling and Site Improvement Plans and supplemental information shall address site access points and haul routes for review and approval.

b. Public street clean-up and tracking prevention. The Drilling and Site Improvement Plans and supplemental information shall include a tracking pad for review and approval.

c. Site grading. The Drilling and Site Improvement Plans and supplemental information shall address site grading, including any earth berms for emergency containment.

d. Site lighting. The Drilling and Site Improvement Plans and supplemental information shall include details regarding site lighting fixtures and locations. Security and other site lighting shall utilize full cutoff light fixtures to mitigate light pollution.

e. Temporary screening. The applicant shall install a buffer to screen the initial drilling activities and installation of site improvements from surrounding neighborhoods and streets.

f. Fencing. The Drilling and Site Improvement Plans shall depict fencing of the perimeter of the site. Fencing materials shall be reviewed for approval by the Town based upon the character of the surrounding neighborhood.

g. Oil and gas equipment.

(1) The applicant shall utilize electric motors in order to mitigate the noise impacts to the neighboring properties.

(2) The applicant shall ensure that the wells and tanks are of the minimum size required to satisfy present and future functional requirements to mitigate visual impacts.

(3) Low profile tanks shall be utilized and shall be installed in the least visible manner possible.

(4) All tanks and equipment shall be painted to blend-in with the surrounding landscape.

h. Air quality.

(1) The applicant shall participate in any required Environmental Protection Agency (EPA) air quality monitoring and/or testing by allowing EPA to install equipment on site for said monitoring and testing.

(2) The applicant shall install and operate an emissions control device (ECD) capable of reducing Volatile Organic Compound (VOC) emissions on the subject oil and gas equipment in accordance with Colorado Oil and Gas Conservation Commission (COGCC) and/or the Colorado Department of Public Health and Environment (CDPHE) rules and regulations.

(3) The applicant shall submit to the Town copies of all air emissions reporting as required by the COGCC and/or the CDPHE's Air Pollution Control Division.

i. Water quality.

(1) The applicant shall ensure that any hydrocarbon discharges from the site comply with all state and federal water quality requirements.

(2) The applicant shall participate in the Colorado Oil and Gas Association (COGA) Baseline Groundwater Quality Sampling Program utilizing independent third party sampling and laboratories and shall provide to the Town test results obtained before

	<p>and after drilling operations.</p> <p>j. Emergency containment. The secondary containment berm surrounding all storage vessels shall be designed and constructed to contain a minimum of 110% of the volume of the largest vessel located within the containment area or to State of Colorado standards, whichever requirements are more stringent.</p> <p>k. Waste disposal. The applicant shall submit to the Town copies of all waste management reports as required by the COGCC and/or the CDPHE rules and regulations.</p> <p>l. The following certification blocks shall be included on the Drilling and Site Improvement Plans:</p> <p>(1) A signed owner's acknowledgement certification block.</p> <p>(2) A signed drilling operator's acknowledgement certification block.</p> <p>m. The following notes shall be included on the Drilling and Site Improvement Plans:</p> <p>(1) The applicant shall comply with all rules and regulations of the Colorado Oil and Gas Conservation Commission (COGCC).</p> <p>(2) The applicant shall comply with all rules and regulations of the Colorado Department of Public Health and Environment (CDPHE).</p> <p>(3) The applicant shall maintain on-going compliance with all conditions of the Town and Windsor-Severance Fire Rescue.</p> <p>(4) The facilities shall be kept clean and otherwise properly maintained at all times.</p> <p>(5) The existing access may be utilized for oil and gas well activities. This access point is temporary and will be required to be removed at such time that permanent access is available in the future.</p> <p>2. The applicant shall address and comply with the conditions of Windsor-Severance Fire Rescue.</p>		
Permit	Well location plat indicates BHL 460' FEL of sec. 32, which is indicated on Question No. 10 BHL. Well location plat has BHL mapped 460' FWL of sec. 32. This conflict occurs on all Tekton Windsor Raindance Wells. I emailed operator.	9/18/2012 12:30:15 PM	

Total: 6 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	Anti-collision BMP: Prior to drilling operations, Operator 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 wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole 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. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to COGCC with the Form 5.
Drilling/Completion Operations	will comply with COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.

Total: 2 comment(s)