

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.)

Township 10 North, Range 57W, 6th P.M.
Section 5: Lot 1, Lot 3, Lot 4 S/2NE/4, SE/4NW/4

Total Acres in Described Lease: 240 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # 3681164

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 650 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: 570 Feet
 Above Ground Utility: 1875 Feet
 Railroad: 5280 Feet
 Property Line: 370 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of nearest 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, and Designated Outside Activity Area - 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 Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 1250 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 0 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

6 Ascalon-Blakeland complex, 3 to 15 percent slopes
 26 Eckley-Dix-Blakeland complex, 6 to 20 percent slopes

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	535-179	960	5 All, Sect 8 N/2

DRILLING PROGRAM

Proposed Total Measured Depth: 10218 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1250 Feet (Including plugged wells)

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)

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 Swell Packer will be set across 600' from section line to keep wellbore from 7" casing shore to Swell Packer unproduced.

Location is part of an Oil and Gas Location Assessment, Original Form 2 and 2A has already been approved.

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 431370

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: Carol Pruitt

Title: Regulatory Compliance Date: 8/8/2013 Email: carol.pruitt@crzo.net

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: _____ Director of COGCC Date: _____

Expiration Date: _____

API NUMBER
05 123 36578 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>

Best Management Practices

No	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	A Form 15 Pit Report will be submitted within 30 days of construction of the fresh water storage pit.
2	Pre-Construction	The COGCC to be notified 48 hours prior to construction of the Fresh Water Storage Pit.
3	Storm Water/Erosion Control	Operator has designed the well pad with insloping and a storm water control distch to prevent storm water run-on/run-off and the release of fluids from the location. See attached Construction Layout Drawing.
4	Material Handling and Spill Prevention	Operator will ensure 110 percent secondary containment for any volume of fluids contained at the wellsite during drilling and completion. Operator will implement best Managment practices to contain any unintentinal release of fluids.
5	Material Handling and Spill Prevention	Fresh water for the Fresh Water Storage Pit comes from water provider; water sources permitted for consumable industrial use. Operator shall not allow any fluids to flow back to the Fresh Water Storage Pit./Pond.
6	Construction	The location will be fenced and the fenced area will included the Fresh Water Storage Pit.
7	Interim Reclamation	Operator will participate in the Colorado Oil & Gas Association Voluntary Baseline Groundwater Quality Sampling Program. Operator will implement interim reclamation measures immediately after construction of the location to stablize cut and fill slopes, stabilize the topsoil and spoil stockpiles, establish desirable vegetation and control wedds on the location.

Total: 7 comment(s)

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Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400464714	FORM 2 SUBMITTED
400465395	PLAT
400465397	OIL & GAS LEASE
400465398	DIRECTIONAL DATA
400465405	DEVIATED DRILLING PLAN
400465409	SURFACE CASING CHECK
400465904	APD APPROVED

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	This form was sent back to draft for an attachment that would not open. The rest of the form has not been reveiwed. returned to draft: attachment APD approved will not open.	8/9/2013 10:22:34 AM

Total: 1 comment(s)