

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

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Document Number:

400452008

Date Received:

07/24/2013

PluggingBond SuretyID

20120125

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: URSA OPERATING COMPANY LLC

4. COGCC Operator Number: 10447

5. Address: 1050 17TH STREET #2400

City: DENVER State: CO Zip: 80265

6. Contact Name: Shauna Redican Phone: (720)508-8350 Fax: (720)508-8368

Email: sredican@ursaresources.com

7. Well Name: BAT Well Number: 14C-17-07-95

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

9. Proposed Total Measured Depth: 6807

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 18 Twp: 7S Rng: 95W Meridian: 6

Latitude: 39.431327 Longitude: -108.033173

Footage at Surface: 329 feet FNL/FSL 803 feet FEL/FWL FEL

11. Field Name: Parachute Field Number: 67350

12. Ground Elevation: 5441 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 09/17/2010 PDOP Reading: 3.0 Instrument Operator's Name: Kyle Tesky

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

Footage at Top of Prod Zone: FNL/FSL 468 FSL 691 FWL 468 FSL 691 FWL
Bottom Hole: FNL/FSL 468 FSL 691 FWL
Sec: 17 Twp: 7S Rng: 95W Sec: 17 Twp: 7S Rng: 95W

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: 334 ft

18. Distance to nearest property line: 530 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 645 ft

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.)
ILES	ILES	440-58	240	Sec. 17:SW,W2SE
WILLIAMS FORK	WMFK	440-58	240	Sec. 17:SW,W2SE

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):

E/2SWSW and N/2SESW of Section 17, T72, R95W of the 6th PM. (see attached lease map). The well distance given is to the boundary of the drilling and spacing unit. BHL complies with spacing order with respect to distance to unit boundary.

25. Distance to Nearest Mineral Lease Line: 468 ft

26. Total Acres in Lease: 43

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
CONDUCTOR	24	16	55	0	60	112	60	0
SURF	12+1/4	8+5/8	24/32	0	1796	446	1796	0
1ST	7+7/8	4+1/2	11.6	0	6807	548	6807	

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

33. Comments I certify that all conditions in the original permit are the same except the name (formerly BAT 43D-18-07-95), SHL, BHL, updated casing and cement program, etc. There have been no other changes to land use, well construction or the lease. This Refile Form 2 does not require a Form 2A because the pad is anticipated to be constructed per the approved Form 2A in September 2013. A closed loop system is being used so no pits need to be constructed, the refilled well will not require any expansion / additional surface disturbance of the pad. The location is not in a wildlife restricted surface occupancy area (RSO); consultation with CDOW is not required and the location does not require a variance from any of the rules listed in Rule 306.d.(1).(A).(ii).; consultation with CDPHE is not required. First String/Production TOC will be >200 feet above Top of Gas. The well distance given is to a lease line within the drilling and spacing unit. BHL complies with spacing order with respect to distance to unit boundary. NOTE: Ursa Operating Company (applicant) is the surface owner of the SESE of Section 18-T7S-R95W and a portion of the N2NENE of Section 19-T7S-R95W, where the subject well pad will be located.

34. Location ID: 422286

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: Shauna Redican

Title: Permit Representative

Date: 7/24/2013

Email: sredican@ursaresources.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: _____

Director of COGCC

Date: 9/7/2013

API NUMBER

05 045 20527 00

Permit Number: _____

Expiration Date: 9/6/2015

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.

COA Type

Description

	1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.
	2) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE GARFIELD COUNTY RULISON FIELD NOTICE TO OPERATORS IS REQUIRED, WITH THE FOLLOWING EXCEPTION: ALL FIELD NOTICE REQUIREMENTS SPECIFIED IN THIS NOTICE TO OPERATORS ARE SUPERSEDED BY THE REQUIREMENTS OF THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY (SEE CONDITION OF APPROVAL #1).
	3) PRODUCTION CASING CEMENT TOP VERIFICATION BY CBL REQUIRED.

Applicable Policies and Notices to Operators

Piceance Rulison Field - Notice to Operators.
NW Colorado Notification Policy.
Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num

Name

2157219	CORRESPONDENCE
400452008	FORM 2 SUBMITTED
400452016	WELL LOCATION PLAT
400452017	DEVIATED DRILLING PLAN
400452019	DIRECTIONAL DATA
400455998	MINERAL LEASE MAP

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Location in 1000' buffer zone. Attached operator certification of building unit owners' notification. No LGD or public comments. Final Review--passed.	9/4/2013 2:11:51 PM
LGD	pass, gdb	8/12/2013 3:37:04 PM
Permit	Corrected obj. fm. tab. Operator advised that if location is not built prior to 2A expiration, an amended 2A must be submitted and approved prior to construction. Distance to nearest unit boundary is 468'.	3/9/2013 2:58:25 PM
Engineer	THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1 MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 185 FEET DEEP.	7/26/2013 4:21:03 PM
Permit	Passes Completeness. Added definition to Unit Configuration, with Operator's consent.	7/26/2013 11:09:46 AM
Permit	Return to Draft: Attach correct lease map and define spacing unit.	7/25/2013 10:16:15 AM

Total: 6 comment(s)

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>