

## Ruth Hartshorn

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**From:** Andy Ashby  
**Sent:** Wednesday, November 20, 2013 2:57 PM  
**To:** Ruth Hartshorn  
**Subject:** FW: FW: Peterson Ridge 1-20H (057-06515)  
**Attachments:** Statewide UNPLANNED Sidetrack Approval Reporting\_11-6-2013.pdf

**From:** Andrews - DNR, David [<mailto:david.andrews@state.co.us>]  
**Sent:** Friday, November 15, 2013 5:44 PM  
**To:** Andy Ashby  
**Cc:** [jay.krabacher@state.co.us](mailto:jay.krabacher@state.co.us); Jane Stanczyk - DNR; Sarah Freeman - DNR; Thom Kerr - DNR; Shaun Kellerby - DNR; Emily Waldron - DNR  
**Subject:** Re: FW: Peterson Ridge 1-20H (057-06515)

Andy,

As discussed on the phone, consider this your verbal approval to proceed with the sidetrack. I understand that EE3 also intends to modify the casing and cement design for this well by eliminating the intermediate casing and production liner (7" first string and 4-1/2" first liner). Instead, EE3 will run a full production casing (5-1/2" first string) with no intermediate string. This is your verbal approval to proceed with the casing and cement change, which should be reflected on the forthcoming 01 Sidetrack Form 2.

As discussed, **Condition of Approval #3, shown on the existing Form 2 #400199729 is insufficient for required protection of fresh water, oil, and/or gas bearing zones in the Coalmont Formation. Therefore, production casing (first string) cement coverage is hereby required across the entire Coalmont Formation and must extend at least 200' above the surface casing shoe; verification of coverage is required by CBL. This Condition of Approval shall supersede the existing COA #3 on Form 2 #400199729.**

I understand that the objective formation for this well will remain the same, but the BHL has changed. COGCC's permitting staff has reviewed the new BHL and confirmed that it is legal. However, our permitting staff will re-check the BHL when the Form 2 is received. As such, this verbal approval to proceed is contingent upon the assumption that the BHL and wellbore path remain at a legal location for completion (COGCC permitting staff will evaluate prior to formal approval of the forthcoming Application for Permit to Drill a Sidetrack Wellbore, Form 2). If the BHL or the productive portion of the sidetrack wellbore extends into locations that are not legal, then EE3 may have to plug back portion(s) of the well that are not legal or obtain waivers from offset mineral interests.

Please coordinate submittal of documents shown on the attached guidance with Sarah Freeman (COGCC Permitting, Denver office).

Sarah: RemindmE added to well file ("Dave Andrews provided verbal approval for a request to sidetrack on 11/15/2013. See scanned email correspondence for details.").

Thanks,

David D. Andrews, P.E., P.G.  
Engineering Supervisor - Western Colorado

**State of Colorado**  
**Oil and Gas Conservation Commission**  
**NEW ADDRESS, EFFECTIVE 1/3/2013:**  
**796 Megan Avenue, Suite 201**  
**Rifle, Colorado 81650**  
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Cell Phone: (970) 456-5262  
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E-mail: [David.Andrews@state.co.us](mailto:David.Andrews@state.co.us)  
Website: <http://www.colorado.gov/cogcc>

On Fri, Nov 15, 2013 at 4:57 PM, Andy Ashby <[aashby@ee3llc.com](mailto:aashby@ee3llc.com)> wrote:

Guy's,

I failed to mention two items requested. First the old well reached a measured depth of 10,726' KB and secondly, the new target is, like the original the Niobrara Fm. AA

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**From:** Andy Ashby  
**Sent:** Friday, November 15, 2013 4:33 PM  
**To:** '[jay.krabacher@state.co.us](mailto:jay.krabacher@state.co.us)'  
**Cc:** '[david.andrews@state.co.us](mailto:david.andrews@state.co.us)'  
**Subject:** Peterson Ridge 1-20H

Jay,

In reference to the request by John Ashby concerning the Peterson Ridge 1-20H well, EE3 is requesting verbal approval to commence a sidetrack of the horizontal lateral as shown in the directional plan attached. Ensign Rig 12 is on location and is currently pulling out of the hole to set a kick off plug and sidetrack the horizontal portion of the well. Two issues were encountered that necessitate this change 1) hole conditions deteriorated to point of sticking drilling assembly and 2) geological conditions.

This well is in a Federal Unit and the new trajectory will remain within the hardlines of the Unit. A new Form 2 will be submitted to the COGCC for this new trajectory. A Sundry was submitted to the COGCC on 14 November by fax and overnight hard-copy. The BLM has approved of the sidetrack today, 15 November 2013.

The kick off point will be at 6,700' KB with a plug set from 7,000'KB to 6,500' KB. The plug will consist of 270 sk Cl G 17ppg 1.13 cu ft/sk. Inclination of the vertical hole where the well will be kicked off is less than 1 deg. Surface casing (9-5/8" 36# K-55) is set to 1,555' KB and cemented to surface.

My cell phone number is [303.349.0561](tel:303.349.0561) and e-mail [aashby@ee3llc.com](mailto:aashby@ee3llc.com). Please let me know if there is additional information that is needed. Thanks, Andy Ashby EE3 LLC