

**APPLICATION FOR PERMIT TO:**

**Drill**
     
  Deepen
     
  Re-enter
     
  Recomplete and Operate

TYPE OF WELL    OIL <input type="checkbox"/> GAS <input type="checkbox"/> COALBED <input checked="" type="checkbox"/> OTHER _____	Refilling <input checked="" type="checkbox"/>
ZONE TYPE    SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input type="checkbox"/>

Date Received:  
08/26/2013

Well Name: <u>FGSU</u>	Well Number: <u>4-31</u>
Name of Operator: <u>GENESIS GAS &amp; OIL COLORADO LLC</u>	COGCC Operator Number: <u>10384</u>
Address: <u>1701 WALNUT STREET - 4TH FL</u>	
City: <u>KANSAS CITY</u>	State: <u>MO</u> Zip: <u>64108</u>
Contact Name: <u>Robert Behner</u>	Phone: <u>(816)222-7500</u> Fax: <u>( )</u>
Email: <u>BBehner@GenesisGO.com</u>	

**RECLAMATION FINANCIAL ASSURANCE**  
 Plugging and Abandonment Bond Surety ID: \_\_\_\_\_

**WELL LOCATION INFORMATION**

QtrQtr: Lot 16    Sec: 4    Twp: 1N    Rng: 100W    Meridian: 6  
 Latitude: 40.084453      Longitude: -108.629379

Footage at Surface:    2482    feet    FSL    629    feet    FWL

Field Name: FLETCHER GULCH      Field Number: 24062  
 Ground Elevation: 6035      County: RIO BLANCO

GPS Data:  
 Date of Measurement: 08/09/2008    PDOP Reading: 2.4    Instrument Operator's Name: Chris Hamilton

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

Footage at Top of Prod Zone:    FNL/FSL      FEL/FWL    Bottom Hole:    FNL/FSL      FEL/FWL

\_\_\_\_\_  
 Sec: \_\_\_\_\_    Twp: \_\_\_\_\_    Rng: \_\_\_\_\_     
 \_\_\_\_\_  
 Sec: \_\_\_\_\_    Twp: \_\_\_\_\_    Rng: \_\_\_\_\_

**LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT**

Surface Ownership:     Fee     State     Federal     Indian

The Surface Owner is:     is the mineral owner beneath the location.  
 (check all that apply)     is committed to an Oil and Gas Lease.  
                                   has signed the Oil and Gas Lease.  
                                   is the applicant.

The Mineral Owner beneath this Oil and Gas Location is:     Fee     State     Federal     Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well:    Yes

The right to construct the Oil and Gas Location is granted by:    oil and gas lease

Surface damage assurance if no agreement is in place: \_\_\_\_\_      Surface Surety ID: \_\_\_\_\_

**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.)

Lots 5-20 Sec4-T1N-R100W-6th PM and Lots 5,6,11-14,19,20 Sec5-T1N-R100W-6th PM and Lots 1-16 Sec8-T1N-R100W-6th PM and Lots 1-16 Sec9-T1N-R100W-6th PM

Total Acres in Described Lease: 2241 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # COC063322

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 3267 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: 3000 Feet  
 Above Ground Utility: 5280 Feet  
 Railroad: 5280 Feet  
 Property Line: 5280 Feet

**INSTRUCTIONS:**

- All measurements shall be provided from center of the Proposed 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: 1683 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 3234 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): Fletcher Gulch Unit Number: COC68958X

**SPACING & FORMATIONS COMMENTS**

Fletcher Gulch Shallow Unit

**OBJECTIVE FORMATIONS**

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
WILLIAMS FORK COAL	WMFKC			

**DRILLING PROGRAM**

Proposed Total Measured Depth: 1570 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1684 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H<sub>2</sub>S Drilling Operations Plan)

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?     No    

BOP Equipment Type:  Annular Preventor     Double Ram     Rotating Head     None

### GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule     609    

### DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal:     OFFSITE          Drilling Fluids Disposal Methods:     Commercial Disposal    

Cuttings Disposal:     ONSITE          Cuttings Disposal Method:     Cuttings trench    

Other Disposal Description:

any cuttings will be tested, treated and / or landfarmed as necessary, and buried onsite

Beneficial reuse or land application plan submitted?                     

Reuse Facility ID:                           or Document Number:                     

### CASING PROGRAM

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	8+5/8	24	0	500	200	500	0
1ST	7+7/8	5+1/2	15.5	0	1570	200	1570	

Conductor Casing is NOT planned

### DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

### GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- Rule 318A.a. Exception Location (GWA Windows).
- Rule 318A.c. Exception Location (GWA Twinning).

### RULE 502.b VARIANCE REQUEST

Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number                     

### 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 1) subject location has been built - the well has not been drilled  
 2) subject well will be drilled with a closed loop process - no pits have been dug  
 3) the refiled well will not require expansion or additional surface disturbance of the pad  
 4) the location does not require a variance from any of the rules listed in Rule 306.d.(1).(A).(iii); consultation with CDPHE is not required  
 5) the location is not in a wildlife restricted surface occupancy area (RSO); consultation with CDOW is not required.  
 There are no changes to the location as originally permitted

This application is in a Comprehensive Drilling Plan \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: 414168

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: Sheryl M. Hull

Title: Agent Date: 8/26/2013 Email: Sheryl@MyersEnergyServices.

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: 4/11/2014

Expiration Date: 04/10/2016

<b>API NUMBER</b>
05 103 11552 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>
	Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire well bore and to adequately verify the setting depth of surface casing and aquifer coverage. On a multi-well pad, these open hole logs are only required on one of the first wells drilled on the pad and the Drilling Completion Report - Form 5 for every well on the pad shall identify which well was logged.
	(1)COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED. SEE ATTACHED NOTICE.

### Best Management Practices

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

### Applicable Policies and Notices to Operators

- NW Colorado Notification Policy.
- Notice Concerning Operating Requirements for Wildlife Protection.

### Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400470726	FORM 2 SUBMITTED
400471842	LOCATION DRAWING

Total Attach: 2 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed. No LGD comments.	4/9/2014 9:05:09 AM
Permit	This well was originally approved in 2009, no form 2A at that time. From aerial photos the pad was built between 2009 and 2011. Then in 2012 it was refiled and expires in 2/23/2014.	10/11/2013 7:16:05 AM
Engineer	THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 000 FEET DEEP.	9/13/2013 2:08:27 PM
Permit	Added refile comments. Checked surface owner has signed lease. Corrected groundwater sampling Rule. Need amended 2A for pad expansion?	9/11/2013 10:49:36 AM
Permit	Passes Completeness. Corrected well name as per Operator.	8/27/2013 11:45:29 AM

Total: 5 comment(s)