

APPLICATION FOR PERMIT TO:

Drill

 Deepen

 Re-enter

 Recomplete and Operate

TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____	Refilling <input 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:
05/24/2014

Well Name: <u>Sup & Shep Federal</u>	Well Number: <u>25-12W</u>
Name of Operator: <u>PICEANCE ENERGY LLC</u>	COGCC Operator Number: <u>10433</u>
Address: <u>1512 LARIMER STREET #1000</u>	
City: <u>DENVER</u>	State: <u>CO</u>
	Zip: <u>80202</u>
Contact Name: <u>Wayne P Bankert</u>	Phone: <u>(970)812-5310</u>
Email: <u>wbankert@laramie-energy.com</u>	Fax: <u>(303)339-4399</u>

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20120081

WELL LOCATION INFORMATION

QtrQtr: NESW Sec: 25 Twp: 9S Rng: 93W Meridian: 6

Latitude: 39.245040 Longitude: -107.722790

Footage at Surface:	<u>2501</u> feet	FNL/FSL	<u>FSL</u>	<u>1932</u> feet	FEL/FWL	<u>FWL</u>
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Field Name: BUZZARD CREEK Field Number: 9500

Ground Elevation: 8077 County: MESA

GPS Data:

Date of Measurement: 11/29/2012 PDOP Reading: 2.7 Instrument Operator's Name: Dave Murrey

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
<u>2223</u>	<u>FSL</u>	<u>796</u>	<u>2223</u>	<u>FSL</u>	<u>796</u>
Sec: <u>25</u>	Twp: <u>9S</u>	Rng: <u>93W</u>	Sec: <u>25</u>	Twp: <u>9S</u>	Rng: <u>93W</u>

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: Surface Use Agreement

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.)

Township 9S Range 93W 6th PM Mesa County, CO
Sec. 24: W2NE, W2SE, SESE
Sec. 25: SWSW, NWSE, NWNE, SWNW, N2SW
Sec. 26: SENE, NESE

Total Acres in Described Lease: 520 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # COC64395

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 447 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 947 Feet
Building Unit: 947 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 5280 Feet
Above Ground Utility: 5280 Feet
Railroad: 5280 Feet
Property Line: 389 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: 04/24/2014

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 262 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 796 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

COGCC Docket No. 1406-SP-2059(June 2014)-Piceance Energy applied to the COGCC to vacate Order 369-1 and re-establish a 640-acre drilling & spacing unit for Section 25, T9S, R93W, 6th PM, Mesa County CO for the drilling/ production of Williams Fork & Iles

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
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WILLIAMS FORK-ILES	WFILS			
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DRILLING PROGRAM

Proposed Total Measured Depth: 8512 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 261 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)

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:

Cuttings to be tested to 910 standards and buried in cuttings trench on location

Beneficial reuse or land application plan submitted? No

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
CONDUCTOR	24	16	42#	0	60	78	60	0
SURF	12+1/4	8+5/8	32#	0	1500	425	1500	0
1ST	7+7/8	4+1/2	11.6#	0	8512	770	8512	6062

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 Location Drawing
Production Layout
Access Road Map
Hydrology Map
Submitted as part of Location Assessment No. 334440

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

Location ID: 334440

Is this application being submitted with an Oil and Gas Location Assessment application? Yes

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

Signed: _____ Print Name: Wayne P Bankert

Title: Senior Reg. & Env. Coord. Date: 5/24/2014 Email: wbankert@laramie-energy.com

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

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.

Best Management Practices

No	BMP/COA Type	Description
1	Drilling/Completion Operations	Please refer to the Form 2A Location Assessment (Doc #400600314) for a list of BMP's applicable to this pad.

Total: 1 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400613254	FORM 2 SUBMITTED
400613264	DEVIATED DRILLING PLAN
400613267	SURFACE AGRMT/SURETY
400613270	DIRECTIONAL DATA
400613271	FED. DRILLING PERMIT
400615551	WELL LOCATION PLAT
400615554	LEGAL/LEASE DESCRIPTION

Total Attach: 7 Files

General Comments

User Group	Comment	Comment Date
Permit	Return to draft. Legal Lease Description and Well Plat PDFs do not open. Did not verify well location information.	5/28/2014 8:39:06 AM

Total: 1 comment(s)