

FORM

2

Rev  
08/13

## State of Colorado

## Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203  
Phone: (303) 894-2100 Fax: (303) 894-2109

Document Number:

400645948

## APPLICATION FOR PERMIT TO:

☒ Drill
 ☐ Deepen
 ☐ Re-enter
 ☐ Recomplete and Operate

Date Received:

07/21/2014

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER \_\_\_\_\_Refilling ☐ZONE TYPE SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☒Sidetrack ☐

Well Name: Pathfinder C-18

Well Number: #4

Name of Operator: AUS-TEX EXPLORATION INC

COGCC Operator Number: 10412

Address: 7985 W 16TH AVENUE

City: LAKEWOOD State: CO Zip: 80214

Contact Name: Kaulin Waldner

Phone: (303)437-0082

Fax: ( )

Email: kaulin.waldner@dewpointwest.com

## RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20120088

## WELL LOCATION INFORMATION

QtrQtr: NENE Sec: 18 Twp: 20S Rng: 69W Meridian: 6

Latitude: 38.312172

Longitude: -105.147236

Footage at Surface: 1347 feet FNL/FSL FNL 1344 feet FEL/FWL FEL

Field Name: WILDCAT

Field Number: 99999

Ground Elevation: 5963

County: FREMONT

GPS Data:

Date of Measurement: 07/16/2014 PDOP Reading: 1.7 Instrument Operator's Name: M. Petty

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

 1097 FNL 1489 FEL 752 FNL 1689 FEL  
 Sec: 18 Twp: 20S Rng: 69W Sec: 18 Twp: 20S Rng: 69W

## LOCATION SURFACE &amp; MINERALS &amp; RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ IndianThe 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: Bond

Surface damage assurance if no agreement is in place: Blanket

Surface Surety ID: 20140022

## 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.)

See attached lease description. This 10,431 acre lease hold is a single lease.

Total Acres in Described Lease: 10431 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # \_\_\_\_\_

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 752 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 744 Feet  
Building Unit: 1325 Feet  
High Occupancy Building Unit: 5280 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 263 Feet  
Above Ground Utility: 3675 Feet  
Railroad: 5280 Feet  
Property Line: 307 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: 350 Feet

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

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

## SPACING & FORMATIONS COMMENTS

Nearest distance measured to permitted Pathfinder C-18 #1-S API #05-043-06226-00 completed portion of wellbore. This well and formation have been plugged.

## OBJECTIVE FORMATIONS

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| PIERRE                 | PRRE           |                         |                               |                                      |
| SHARON SPRINGS         | SHSP           |                         |                               |                                      |

## DRILLING PROGRAM

Proposed Total Measured Depth: 3697 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 350 Feet (Including plugged wells)

Will a closed-loop drilling system be used? No

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 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: ONSITE Drilling Fluids Disposal Methods: Evaporation

Cuttings Disposal: ONSITE Cuttings Disposal Method: Cuttings trench

Other Disposal Description:

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   | 12+1/4       | 9+5/8          | 36    | 0             | 60            | 14        | 60      | 0       |
| SURF        | 8+3/4        | 7              | 23    | 0             | 980           | 93        | 980     | 0       |
| 1ST         | 6+1/4        | 4+1/2          | 11.6  | 0             | 3697          |           |         |         |

☐ 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 318.a
- ☐ 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 Footages listed as 5280 feet are greater than one mile.

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

Location ID: \_\_\_\_\_

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: Kaulin Waldner

Title: Agent Date: 7/21/2014 Email: kaulin.waldner@dewpointwest.

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: 10/30/2014

Expiration Date: 10/29/2016

### API NUMBER

05 043 06228 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.

### COA Type

### Description

|  |  |
|--|--|
|  | 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) Provide 48 hour notice prior to spud via electronic Form 42.<br>2) If well is a dry hole, set 50 sks cement across surface casing shoe, 15 sks cement from 50' to 4' inside surface casing, cut off casing 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole.<br>3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well. |

## Best Management Practices

| <u>No</u> | <u>BMP/COA Type</u>  | <u>Description</u>   |
|-----------|----------------------|--|
| 1         | General Housekeeping | Housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup will be required to minimize any commingling of waste materials with stormwater runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling. There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup will consist of patrolling the roadways, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly. |

Total: 1 comment(s)

## Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

## Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u>             |
|--------------------|-------------------------|
| 2519421            | EXCEPTION LOC REQUEST   |
| 400645948          | FORM 2 SUBMITTED        |
| 400647609          | LEGAL/LEASE DESCRIPTION |
| 400647698          | DIRECTIONAL DATA        |
| 400647706          | WELL LOCATION PLAT      |
| 400647708          | DEVIATED DRILLING PLAN  |

Total Attach: 6 Files

## General Comments

| <u>User Group</u> | <u>Comment</u>   | <u>Comment Date</u>       |
|-------------------|--|---------------------------|
| Permit            | Distance to another well completed or penetrating the productive interval is no longer the Pathfinder C-18 #1-S. It is now the lateral of the Pathfinder C-18 #8. Change approved by operator.   | 10/29/2014<br>6:03:15 AM  |
| Permit            | Requested an exception location request letter. Received and attached exception location letter.   | 10/28/2014<br>10:02:46 AM |
| Permit            | Well is considered to be a proposed productive directional well. Is no longer a pilot hole.  | 10/28/2014<br>10:00:51 AM |
| Permit            | Operator says this well is a pilot hole. Requested operator to certify that statement since this permit has been in process for awhile and there have been many changes to permits in this section.  | 9/5/2014<br>12:38:08 PM   |
| Permit            | Final review completed; no public comment received. LGD comment posted.  | 9/5/2014<br>12:36:17 PM   |
| LGD               | The Fremont County Department of Transportation has requirements for Driveway Access Permits and Transportation Plans. For more information contact Annette.ortega@fremontco.com, or Anthony Adamic at tony.adamic@fremontco.com, both at 719-275-2047. Additional requirements for Special Mobile Machinery and instructions on obtaining a property address are available from Ronald Zenisky or Robert Sapp (ronald.zenisky@fremontco.com, robert.sapp@fremontco.com), both at 719-276-7630. For requirements regarding weed management, contact Ms. Jana Gregg, Weed Management Director (jana.gregg@fremontco.com or 719-276-7317). Also contact Ms. Seema Garoutte at the Fremont County Assessor's Office (seema.garoutte@fremontco.com or 719-276-2311). | 7/22/2014<br>7:12:39 AM   |
| Permit            | Passed completeness.   | 7/21/2014<br>4:27:30 PM   |

Total: 7 comment(s)