

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:  
400631155

APPLICATION FOR PERMIT TO:

Drill       Deepen       Re-enter       Recomplete and Operate

Date Received:  
08/25/2014

TYPE OF WELL    OIL     GAS     COALBED     OTHER \_\_\_\_\_  
ZONE TYPE      SINGLE ZONE     MULTIPLE ZONES     COMMINGLE ZONES

Refiling   
Sidetrack

Well Name: Lynch 34-6-18      Well Number: 1  
Name of Operator: CATAMOUNT ENERGY PARTNERS LLC      COGCC Operator Number: 10464  
Address: 1801 BROADWAY #1000  
City: DENVER      State: CO      Zip: 80202  
Contact Name: Nolan Redmond      Phone: (720)484-2344      Fax: (720)484-2363  
Email: nredmond@catamountep.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20130096

WELL LOCATION INFORMATION

QtrQtr: SWNW      Sec: 18      Twp: 34N      Rng: 6W      Meridian: N  
Latitude: 37.193520      Longitude: -107.549560

Footage at Surface:      FNL/FSL      FEL/FWL  
1774 feet      FNL 211 feet      FWL

Field Name: IGNACIO BLANCO      Field Number: 38300  
Ground Elevation: 6858      County: LA PLATA

GPS Data:  
Date of Measurement: 03/13/2014    PDOP Reading: 2.1    Instrument Operator's Name: Scott Weibe

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  
1947    FNL 722    FWL    1980    FNL 820    FWL  
Sec: 18    Twp: 34    Rng: 6W    Sec: 18    Twp: 34    Rng: 6W

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: Bond

Surface damage assurance if no agreement is in place: Blanket      Surface Surety ID: 20130097

**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.)

NW/4 S18U T34N R6W

Total Acres in Described Lease: 160 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: 671 Feet

**CULTURAL DISTANCE INFORMATION**

Distance to nearest:

Building: 994 Feet

Building Unit: 994 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 202 Feet

Above Ground Utility: 891 Feet

Railroad: 5280 Feet

Property Line: 171 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: 06/11/2014

**SPACING and UNIT INFORMATION**

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 1359 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 671 Feet (Enter 5280 for distance greater than 1 mile.)

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

**SPACING & FORMATIONS COMMENTS**

\_\_\_\_\_

**OBJECTIVE FORMATIONS**

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
FRUITLAND COAL	FRLDC	112-214	320	N/2

**DRILLING PROGRAM**

Proposed Total Measured Depth: 3120 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1359 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 608

### DRILLING WASTE MANAGEMENT PROGRAM

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

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

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	9+5/8	36	0	400	155	400	0
1ST	8+3/4	7	20	0	3120	485	3120	0

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

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: Nolan Redmond

Title: Geo/Eng Tech Date: 8/25/2014 Email: nredmond@catamountep.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: *Matthew Lee* Director of COGCC Date: 11/26/2014

Expiration Date: 11/25/2016

**API NUMBER**  
05 067 09920 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**

	<ol style="list-style-type: none"> <li>1) Provide 48 hour notice via form 42</li> <li>2) Provide cement coverage of production casing from TD to surface. Verify cement coverage with Cement Bond Log.</li> <li>3) Run and submit Directional Survey for primary well bore and for each lateral section</li> <li>4) The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the well bore complies with setback requirements in Commission orders and/or rules prior to producing the well.</li> <li>5) Sample and test two closest water wells within 1/4 mile swath of lateral wellbore Fruitland Coal (horizontal dimension – top to bottom of pay).</li> <li>6) Operators are required to obtain a bottom hole pressure utilizing a bottom hole gauge after a minimum 48 hour shut-in period following completion and prior to sales</li> <li>7) Comply with all applicable provisions of Order 112-214</li> <li>8) Borehole problems encountered while drilling that require an unplanned sidetrack: Contact, discuss &amp; receive prior approval from COGCC Regional Engineer – Mark Weems</li> </ol> <p>970-259-4587 off 970-749-0624 cell mark.weems@state.co.us</p>
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## Best Management Practices

No BMP/COA Type	Description

### Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

### Attachment Check List

Att Doc Num	Name
1857482	SELECTED ITEMS REPORT
400631155	FORM 2 SUBMITTED
400670241	DEVIATED DRILLING PLAN
400670242	LOCATION DRAWING
400670246	WELL LOCATION PLAT
400670277	OTHER
400670286	DIRECTIONAL DATA
400670291	30 DAY NOTICE LETTER
400670294	OffsetWellEvaluations Data

Total Attach: 9 Files

### General Comments

User Group	Comment	Comment Date
Permit	Corrected dist. to lease line and unit boundary based on attached well loc. plat: 671'. Distance to nearest well permitted & penetrating objective formation corrected to 1359'. (Distance between TOP in both wellbores.)	11/26/2014 3:12:38 PM
Engineer	<p><b>Bedrock Aquifers</b> The proposed gas well is located within an area where unconfined fresh water aquifers are mostly developed in bedrock formations consisting mainly of shale with intermittent sandstone stringers with limited areal extent or having pockets of isolated water reservoirs. Water wells found in these locations can vary in depth from 100' to 650'. These aquifers are commonly identified as the Animas formation.</p> <p>Respective to the proposed gas well, a one (1) mile radius of investigation of all offsetting fresh water wells has determined that the deepest surface casing required to protect the aquifers is a depth of 323' (includes a 50' margin of additional protection). The operator proposed a depth of 400' which exceeds the minimal requirement by a depth of 77'. The surface casing on the proposed well will be cemented from total depth to surface. The production casing on the proposed gas well will also be cemented from total depth to surface. This will serve two purposes (1) it will isolate and confine all hydrocarbon and brackish waters to their respective zones and (2) it will provide double protection for the fresh water aquifers which includes two concentric (2) steel casing strings and two concentric external (2) cement sheaths extending from total depth to surface (see attached SELECTED ITEMS REPORT).</p> <p>A plat map was prepared for the location of the proposed gas well which includes a 1500' envelope of investigation being drawn around the trajectory of the proposed directional well bore. A survey of the adjacent gas wells falling within the boundaries of the 1500' envelope was conducted. The cement tops on the production casings in regards to the offsetting wells are deemed adequate for fracture stimulations in the proposed gas well (see attached SELECTED ITEMS REPORT).</p>	9/3/2014 4:41:50 PM
Permit	Passed Completeness	8/28/2014 10:07:57 AM

Total: 3 comment(s)