

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.)

Lease attached. The primary Federal Lease is COC24603. The "end of completions" falls in COC36219, 160 acres, SWSE, Sec. 8, T7S, R96W.

Total Acres in Described Lease: 2221 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # COC24603

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 601 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: 5280 Feet
 Above Ground Utility: 5280 Feet
 Railroad: 5280 Feet
 Property Line: 1637 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: 631 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 601 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

CA COC049043, MVRD, 320 acres, E2 (Sec. 8, T7S, R96W)

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR	547-7	473	S-5 Lot 7, S-8 NE/4

DRILLING PROGRAM

Proposed Total Measured Depth: 17600 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 631 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: Recycle/reuse
 Cuttings Disposal: ONSITE Cuttings Disposal Method: Other
 Other Disposal Description:

 Surface Cutting Management Area

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
CONDUCTOR	24	20	52.7#	0	80	30	80	0
SURF	17+1/2	13+3/8	68#	0	2693	707	2693	0
1ST	12+1/4	9+5/8	47#	0	9452	828	9452	3345
S.C. 1.1	12+1/4	9+5/8	47#	0	3800	488	3800	1693
2ND	8+1/2	5+1/2	23#	0	17600	935	17600	8452

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: 334816

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: Reed Haddock

Title: Regulatory Specialist Sta Date: 10/29/2014 Email: reed.haddock@wpenergy.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:  Director of COGCC Date: 12/27/2014

Expiration Date: 12/26/2016

API NUMBER

05 045 22662 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

- (1) Operator shall comply with the most current revision of the Northwest Notification Policy. See attached notice.
- (2) Operator shall comply with the most current revision of the Garfield County Rulison Field Notice to Operators, with the following exception: All field notice requirements specified in that Notice to Operators are superseded by the requirements of the most current revision of the Northwest Colorado Notification Policy (see Condition of Approval #1). See attached notice.
- (3) Operator shall provide cement coverage from the intermediate casing shoe (9+5/8" first string) to a minimum of 200' above all Mesa Verde Group (and Ohio Creek Formation, if present) oil, gas, and water-bearing sandstone and coalbed formations. Verify intermediate casing cement coverage with a cement bond log.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	WPX will run triple-combo open hole logs in the vertical section of Niobrara wells from KOP to base of surface casing on at least one well per pad location. CBL log will also be run from KOP up to surface. MWD/LWD logs with GR will be run for the lateral portion of the wells. Form 5 Completion Reports will identify wells with open hole logs.

Total: 1 comment(s)

Applicable Policies and Notices to Operators

Piceance Rulison Field - Notice to Operators.

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400663054	FORM 2 SUBMITTED
400663093	OffsetWellEvaluations Data
400663164	DEVIATED DRILLING PLAN
400663165	DIRECTIONAL DATA
400673974	TOPO MAP
400716382	WELL LOCATION PLAT
400716383	OIL & GAS LEASE
400719309	FED. DRILLING PERMIT

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected drilling and waste management as per the 2A. Final review complete.	12/24/2014 10:36:55 AM
LGD	KHW Pass: Please note any location with greater than 5,000 barrels of total storage capacity (pits/tanks) would require a Garfield County land use change permit.	12/11/2014 4:32:58 PM
Permit	Corrected related form 2A Doc number. Distance to lease line is incorrect and BHL is not legal (needs 600' setback) Corrected unit configuration to show Sections. Need to confirm Drilling and waste management, 2A is different. E-mail to opr.	11/28/2014 12:41:48 PM
Agency	The surface casing is at least 50 feet deeper than the deepest water well within one mile when corrected for elevation differences. There are no water wells within one mile of the surface location that are used for non-industrial purposes. The deepest water well within one mile is a 36 foot deep groundwater monitoring well. Accurate offset well evaluation provided. No mitigation required. Wells within 1,500 feet of the portion of the wellbore planned for stimulation are completed in the Mesaverde group.	11/13/2014 2:04:37 PM
Permit	Passed completeness.	10/30/2014 11:25:51 AM

Total: 5 comment(s)