

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

TYPE OF WELL OIL GAS COALBED OTHER UNPLANNED Refilling

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES Sidetrack

Well Name: Waag Well Number: 3

Name of Operator: EXTRACTION OIL & GAS LLC COGCC Operator Number: 10459

Address: 1888 SHERMAN ST #200

City: DENVER State: CO Zip: 80203

Contact Name: KALEB ROUSH Phone: (720)557-8322 Fax: ()

Email: KROUSH@EXTRACTIONOG.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20130028

WELL LOCATION INFORMATION

QtrQtr: NENW Sec: 19 Twp: 7N Rng: 65W Meridian: 6

Latitude: 40.567960 Longitude: -104.709330

Footage at Surface: 39 feet FNL/FSL FNL 1881 feet FEL/FWL FWL

Field Name: WATTENBERG Field Number: 90750

Ground Elevation: 4902 County: WELD

GPS Data:

Date of Measurement: 07/02/2014 PDOP Reading: 1.9 Instrument Operator's Name: ADAM KELLY

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

495 FNL 1881 FWL 495 FNL 2247 FEL

Sec: 19 Twp: 7N Rng: 65W Sec: 24 Twp: 7N Rng: 66W

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.)

THE ENTIRE W/2 OF SECTION 19 7N 65W.

Total Acres in Described Lease: 320 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: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1609 Feet
Building Unit: 1663 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 260 Feet
Above Ground Utility: 281 Feet
Railroad: 4729 Feet
Property Line: 39 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: 330 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

PROPOSED 320 SPACING UNIT NW/4 OF SECTION 19 7N-65W AND NE/4 OF SECTION 24 7N-66W.

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		320	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 12066 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 165 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 318A

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
CONDUCTOR	24	16	42	0	100	100	100	0
SURF	13+1/2	9+5/8	36	0	888	675	888	0
1ST	8+3/4	7+0/0	26	0	7600	850	7600	0
1ST LINER	6+1/8	4+1/2	13.5	7500	12066			

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

DISTANCE FROM COMPLETED PORTION OF THE WELLBORE TO NEAREST WELLBORE PERMITTED OR COMPLETED IN THE SAME FORMATION: 330' AWAY (WAAG 2/ WAAG 5).

DISTANCE TO NEAREST PERMITTED OR EXISTING WELLBORE PENETRATION OBJECTIVE FORMATION: 165' AWAY (WAAG 4/CDL).

PLEASE SEE THE ORIGINAL, APPROVED APD DOC[#400651156] AND THE APPROVED ST01 APD DOC [#400779601] FOR FURTHER DETAILS AND ATTACHMENTS.

WE NEEDED TO SIDETRACK THIS WELL, HOWEVER BHL WILL REMAIN UNCHANGED, THUS A REVISED WELL LOCATION PLAT AND REVISED DEVIATED DRILLING PLAN ARE NOT REQUIRED. WE WILL BE CEMENTING UP TO AND ABOVE THE SURFACE CASING.

THIS SIDETRACK APD IS BEING SUBMITTED IN CONJUNCTION WITH DOC[#400783326] THAT CONTAINS INFORMATION FOR ST2, AN ACCIDENTAL ST THAT IS TO BE PLUGGED TO MAKE THIS ST POSSIBLE.

FROM THE CORRESPONDENCE:

"We are having another issue on the Waggs North #3 (API# - 05-123-40344-00). We are having the same issue getting back into our new wellbore. While running 7" the first time we bridged out on some formation in the wellbore at 1228'. We have since requested a sidetrack and completed it. Upon completing we pulled out of the hole and cleaned up the area where we sidetracked, only to discover another 34' sidetrack 100' (1130' MD) shallower. We have attempted to run casing 3 more times and are once again unsuccessful. Had we known there were 2 small sidetracks we would have cemented originally. Knowing this now we believe this to be the only viable option.

Going forward we would like to cement this sidetrack and the existing wellbore from 1132' back to 50' inside our surface shoe and start this whole process fresh. This way we will drill out of our surface casing with no wellbore in place and start new.

Total MD drilled to: 7645' (and to 1134' in ST2)

Surface casing – 9 5/8" 36# set at 888'.

No fish in hole

The plan is to cement this sidetrack and existing 8 3/4" hole back up to our surface casing.

Proposed sidetrack point – 888' (surface shoe)

Objective formation of sidetrack/curve: Niobrara B

Proposed BHL: 495 FNL 2247 FEL Sec 24, T7N, R66W (Same as original APD)."

Email approval was provided by Diana Burn on 1/29/2015.

Original wellbore: API#05-123-40344-00, Doc[#400651156]

Sidetrack 1: API#05-123-40344-01, Doc[#400779601]

Sidetrack 2: API#05-123-40344-02, Doc[#400783326]

Plug information: 146sx, 17.5#, 0.93 cf/sk - The plug will be set from 1100' up to 800'. The KOP for this ST will be at 888', right out of the surface shoe.

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

Location ID: _____

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: KALEB ROUSH

Title: DRILLING TECHNICIAN Date: _____ Email: KROUSH@EXTRACTIONOG.

