

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.)

Please see lease map

Total Acres in Described Lease: 639 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: 460 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 589 Feet
Building Unit: 832 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 944 Feet
Above Ground Utility: 446 Feet
Railroad: 1514 Feet
Property Line: 225 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: 06/06/2014

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 5280 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

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CODELL	CODL	407-1159	640	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 12510 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 572 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: Other
 Other Disposal Description:

Drill cuttings will be land farmed at Dechant Farms in Henderson, CO. Please see Waste Management Plan for details.

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
SURF	13+1/2	9+5/8	36	0	1200	994	1200	0
1ST	8+3/4	7	26	0	8145	819	8145	3000
1ST LINER	6+1/8	4+1/2	11.6	7945	12510			

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?

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

Signed: _____ Print Name: Andrea Gross

Title: Permit Agent Date: _____ Email: agross@upstreampm.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	Planning	The well pad will be constructed in a manner that noise mitigation will be installed and removed without disturbing the site or landscaping.
2	Traffic control	The pad will have an all-weather access road to allow for operator and emergency responders.
3	Traffic control	A traffic plan will be done if request by Adams County.
4	General Housekeeping	Loadlines: All loadlines shall be bullplugged or capped.
5	General Housekeeping	Guy Line Anchors: All guy line anchors left buried for future use will be identified by a marker of bright color not less than four feet in height and not greater than one foot east of the guy line anchor.
6	General Housekeeping	Removal of Surface Trash: Ward agrees that all trash, refuse pipe, equipment, liquids, chemicals of other materials that are not necessary for the continued operations of the wells will be removed and disposed of no later than 30 days after completion. No such items will be burned or buried on location.
7	General Housekeeping	Well Site Cleared: Ward agrees that all trash, refuse pipe, equipment, liquids, chemicals of other materials that are not necessary for the continued operations of the wells will be removed and disposed of no later than 30 days after completion. No such items will be burned or buried on location.
8	Material Handling and Spill Prevention	Leak Detection Plan: To ensure protection for the surface during fracturing treatment, the location will be specifically constructed to contain any releases or spills. Secondary containment from any chemical spills or leaks will surround any trucks that carry, mix, or add chemicals to the flow stream as well as connections that could possibly leak fluid. Should any spill or release occur, every reasonable step will be taken to quickly remediate the area disturbed.

9	Material Handling and Spill Prevention	Control of Fire Hazards: Ward and its contractor's employ best management practices during the drilling and production of its wells and facilities. They will comply with appropriate COGCC and any county rules concerning fire and safety. Ward will ensure that any flammable material will remain no less than 25 feet from the wellhead (s), tanks and separator(s).
10	Material Handling and Spill Prevention	Berm Construction: A containment berm will be constructed around the oil and water storage tanks. The berm will be inspected regularly and maintained in good condition.
11	Material Handling and Spill Prevention	Tank specifications: Tanks shall be constructed and maintained in accordance with the National Fire Protection Association Code 30 (2008 version). All tanks will be visually inspected once a day for issues. Recorded inspections will be conducted once a month pursuant to 40 CFR §112.
12	Dust control	Operator will comply with Rule 805.c and take all practicable measures to control fugitive dust caused by the operation, including but not limited to wetting the soil with fresh water via a truck with a spreader bar if deemed necessary.
13	Construction	Visual Mitigation: Pursuant to Rule 804, the tank battery shall be painted in uniform, non-contrasting, non-reflective color tones with the colors matched to but slightly darker than the surrounding landscape. Additionally, because the location is within the Rule 604.a.(2) setback due to its proximity to the dealership to the south and east, the battery facilities will be fenced with a 6' chain-link fence, the color for which shall be sufficiently similar to the tank color. This fence shall serve to restrict access to the site by unauthorized persons and as visual mitigation of the facility components.
14	Drilling/Completion Operations	Closed Loop System: Closed Loop System will be used for drilling and fluid management. No reserve pit will be used.
15	Drilling/Completion Operations	Green Completions: Ward will comply with COGCC Rule 805b.(3)A and utilize Green Completion Methods.
16	Drilling/Completion Operations	BOPE Testing: Upon initial rig-up and once every 30 days during drilling operations, pressure testing of the casing string and each component of the BOPE will be performed to 70% of working pressure or 70% of the internal yield of the casing, whichever is less. BOPE for well servicing operations: Adequate blowout prevention equipment will be used on any servicing operations associated with this well. Backup staving valves shall be required on well servicing operations during reverse circulation. Valves will be pressure tested before each well servicing operation using both low-pressure and high-pressure fluid. BOPE: Ward will utilize drilling rigs with a minimum of a double ram and annular preventer.
17	Drilling/Completion Operations	Drill Stem Tests: Drill Stem Tests are not anticipated for this location.
18	Final Reclamation	Identification of Plugged and Abandoned Wells: Pursuant to Rule 319.a.(5)., once the well has been plugged and abandoned, Ward will identify the location of the wellbore with a permanent monument that will detail the well name and date of plugging.

Total: 18 comment(s)

Attachment Check List

Att Doc Num	Name
400764932	OffsetWellEvaluations Data
400798356	EXCEPTION LOC REQUEST
400798357	EXCEPTION LOC WAIVERS
400798358	DEVIATED DRILLING PLAN
400798365	SURFACE AGRMT/SURETY
400798366	WELL LOCATION PLAT
400798367	LEASE MAP
400798368	DIRECTIONAL DATA

Total Attach: 8 Files

General Comments

User Group

Comment

Comment Date

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)

