

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____ ZONE TYPE SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Refiling <input checked="" type="checkbox"/> Sidetrack <input type="checkbox"/>
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Date Received: 02/23/2015

Well Name: SCHOOL HOUSE POINT Well Number: OM07A B21 696

Name of Operator: LINN OPERATING INC COGCC Operator Number: 10516

Address: 1999 BROADWAY SUITE 3700

City: DENVER State: CO Zip: 80202

Contact Name: Katherine Skinner Phone: (303)999-4037 Fax: ()

Email: KSKINNER@LINNENERGY.COM

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 20140058

WELL LOCATION INFORMATION

QtrQtr: NENE Sec: 21 Twp: 6S Rng: 96W Meridian: 6

Latitude: 39.514481 Longitude: -108.107847

Footage at Surface: <u>465</u> feet	FNL/FSL	FEL/FWL
<u>FNL</u> <u>896</u> feet	<u>FEL</u>	

Field Name: GRAND VALLEY Field Number: 31290

Ground Elevation: 8288 County: GARFIELD

GPS Data:
Date of Measurement: 02/07/2012 PDOP Reading: 1.3 Instrument Operator's Name: ROBERT KAY

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
<u>1371</u> FNL <u>2011</u> FEL	<u>1371</u> FNL <u>2011</u> FEL		
Sec: <u>21</u> Twp: <u>6S</u> Rng: <u>96W</u>	Sec: <u>21</u> Twp: <u>6S</u> Rng: <u>96W</u>		

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.)

SEE MINERAL LEASE MAP ATTACHED TO ORIGINAL APD

Total Acres in Described Lease: 25000 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: 1420 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5035 Feet

Building Unit: 5035 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 4570 Feet

Above Ground Utility: 4500 Feet

Railroad: 5280 Feet

Property Line: 2382 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: 282 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 1080 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Unit configuration applies to Section 21 not the entire North Parachute Ranch Spacing Unit.

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
WILLIAMS FORK	WMFK	510-13, 53	11510	L6,L7,E2NW,NE,N2SE

DRILLING PROGRAM

Proposed Total Measured Depth: 9985 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 282 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: ONSITE Drilling Fluids Disposal Methods: Recycle/reuse

Cuttings Disposal: ONSITE Cuttings Disposal Method: Other

Other Disposal Description:

SEE BMP CUTTINGS MANAGEMENT

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	30	20	55	0	100	100	100	0
SURF	16	9+5/8	36	0	2500	1000	2500	0
1ST	7+7/8	4+1/2	11.6	0	9985	600	9985	

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 Pad has been built. Conductors have been set. No rig onsite. The refill will not require any expansion/additional surface disturbance of pad. The location does not require a variance from any of the rules listed in Rule 306.d (1). (A). (ii). The location is not in a restricted surface occupancy area. The location is not is a sensitive wildlife habitat area. The production casing Top of Cement will be at least 200' above the Top of Gas.

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

Location ID: 421108

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: Katherine Skinner

Title: REG COMPLIANCE SPEC 1 Date: 2/23/2015 Email: KSKINNER@LINNENERGY.C

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: 4/3/2015

Expiration Date: 04/02/2017

API NUMBER 05 045 20309 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.

<u>COA Type</u>	<u>Description</u>
	1)Operator shall comply with the most current revision of the Northwest Colorado 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 this 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 production casing shoe (4+1/2" 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 production casing cement coverage with a cement bond log. 4)Comply with all provisions of the June 12, 2008 Notice to Operators drilling wells within ¾ mile of the rim of the Roan Plateau in Garfield County – Pit Design, Construction and Monitoring Requirements. See attached notice. 5)The nearby hillside(s) must be monitored for any daylighting drilling fluids throughout the drilling of the surface casing interval. COGCC engineering staff must be notified as soon as practicable if daylighting is observed.

Best Management Practices

No	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Cuttings Management: During drilling, LINN will keep the drill cuttings segregated on the well pad. Cuttings will not be in contact with fill material or topsoil on location. After drilling and completion operations have been completed, soil amendments such as phosphorus and nitrogen will be utilized to expedite the amendment process (if necessary). On pads where a drilling pit is present, cuttings will be used in the backfilling of those pits. On pads where no drilling pit is present due to closed-loop drilling, amended cuttings that meet the Table 910-1 levels are spread on location with topsoil and seeded as part of reclamation activities.
2	Drilling/Completion Operations	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.

Total: 2 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.
Pit Design, Construction and Monitoring Requirements Within 3/4 mile of the Rim of the Roan Plateau.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400797532	FORM 2 SUBMITTED

Total Attach: 1 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected cultural features as per opr and previously approved 2A. Final review complete.	4/1/2015 11:29:10 AM
Engineer	Per operator, changed conductor setting depth to 100' and 1st string depth to 9985' to match deviated drilling plan (doc# 1533053). Nearest wellbore is 340' (planned API#045-20308). Offset water well check: COGCC evaluated offset water wells within one mile of this proposed well's surface hole location. This information was used in addition to locally-available geologic and hydrogeologic information to evaluate the adequacy of the operator's proposed surface casing setting depth. There are no water wells within one mile of the surface location. The surface casing covers most of the Green River formation based on offset wells. Evaluated existing offset wells within 1,500 feet of this wellbore. Existing offset wells target the Mesa Verde formation. No mitigation required.	3/10/2015 11:46:35 AM
Permit	This pad falls within the North Parachute Ranch Spacing Unit which was established under order 510-49. Order 510-53 modified the unit acreage. This pad of wells lies within the modified acreage. Corrected distance to unit boundary from 2306' to 1080' as per opr. Corrected spacing order from 510-10 & 510-53, to 510-53, added the unit acreage, and configuration as per the order with opr approval. Added Comment regarding unit configuration as per opr.	3/4/2015 11:55:29 AM
Permit	Passed Completeness	2/27/2015 9:01:36 AM
Permit	Returned to Draft: 1. The Plugging and Abandonment surety ID is not for Linn Operating Inc.	2/25/2015 11:32:25 AM

Total: 5 comment(s)