

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 _____	Refiling <input type="checkbox"/>
ZONE TYPE SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input type="checkbox"/>

Date Received:
05/04/2015

Well Name: Southern Ute 11 Well Number: D1

Name of Operator: FOUR STAR OIL & GAS COMPANY COGCC Operator Number: 30680

Address: 1400 SMITH STREET - ROOM 44195

City: HOUSTON State: TX Zip: 77002

Contact Name: MIKE FINNEY Phone: (970)259-5691 Fax: (970)259-4279

Email: MIKE@FINNEYLAND.COM

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: SESE Sec: 34 Twp: 33N Rng: 9W Meridian: N

Latitude: 37.055910 Longitude: -107.808254

Footage at Surface: <u>1049</u> feet	FNL/FSL	FEL/FWL
<u>FSL</u> <u>1221</u> feet	<u>FSL</u>	<u>FEL</u>

Field Name: IGNACIO BLANCO Field Number: 38300

Ground Elevation: 7214 County: LA PLATA

GPS Data:
Date of Measurement: 01/28/2015 PDOP Reading: 1.9 Instrument Operator's Name: NELSON ROSS

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>1841</u> <u>FSL</u> <u>1875</u> <u>FEL</u>	<u>2012</u> <u>FSL</u> <u>2090</u> <u>FEL</u>		
Sec: <u>34</u> Twp: <u>33N</u> Rng: <u>9W</u>	Sec: <u>34</u> Twp: <u>33N</u> Rng: <u>9W</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: Surface Use Agreement

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.)

T33N, 9W, SEC 27-28-33-34

Total Acres in Described Lease: 2560 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # 14-20-151-32

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 1841 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: 5280 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: 1377 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 604 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	112-194	320	E/2

DRILLING PROGRAM

Proposed Total Measured Depth: 4275 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 16 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 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:

FOR ADDITIONAL INFORMATION SEE FEDERAL DRILLING PERMIT

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	12+1/4	9+5/8	36	0	500	237	500	0
1ST	8+3/4	5+1/2	15.5	0	4275	902	4275	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

PLEASE SEE ATTACHED FEDERAL PERMITS FOR ALL BMP'S.
 PLEASE COPY jlr@animas.net ON ALL CORRESPONDENCE
 PLEASE COPY ALL CORRESPONDENCE TO APRIL.POHL@CHEVRON.COM

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

Location ID: 326117

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: APRIL E POHL

Title: PERMITTING SPECIALIST Date: 5/4/2015 Email: APRIL.POHL@CHEVRON.CO

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: 6/9/2015

Expiration Date: 06/08/2017

API NUMBER
05 067 09935 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>

Best Management Practices

<u>No BMP/COA Type</u>	<u>Description</u>

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400835108	FORM 2 SUBMITTED
400835135	FED. DRILLING PERMIT
400839207	DEVIATED DRILLING PLAN
400839208	DIRECTIONAL DATA
400839212	DRILLING PLAN
400839214	MULTI-WELL PLAN
400839218	WELL LOCATION PLAT

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected spacing order from 192-194 to 112-194	3/8/2015 7:25:07 AM
Permit	Final Review Completed. No LGD or public comment received.	3/5/2015 4:09:35 PM
Engineer	No COA's required: Ute Surface and Minerals BLM Jurisdiction	6/3/2015 11:39:26 AM
Permit	Corrected Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease from 2090' to 1841' to reflect top prod. zone FSL.	3/2/2015 9:13:59 AM
Permit	Passed Completeness	5/15/2015 10:53:34 AM
Permit	Returned to Draft per operator request.	5/13/2015 2:27:57 PM
Permit	Return to Draft: 1. Proposed TD 3982' does not match deviated drilling plan 4275. 2. Casing 4280' is deeper then TD 3982' or drilling plan 4275' 3. Plugging and Abandonment surety ID does not correspond to any active surety 4. Under Surface & Minerals : If an oil & gas lease has ben signed then the previous two checkboxes must also be checked.	5/8/2015 9:52:54 AM
Permit	Returned to draft at request of operator.	5/4/2015 3:23:32 PM

Total: 8 comment(s)