

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.)

S/2 Section 8, T32N, R5W N.M.P.M.

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: 710 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 670 Feet

Building Unit: 670 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 1710 Feet

Above Ground Utility: 1510 Feet

Railroad: 5280 Feet

Property Line: 230 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: 03/25/2015

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 341 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 710 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	112-215	320	S/2

DRILLING PROGRAM

Proposed Total Measured Depth: 6065 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 341 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: Recycle/reuse

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
SURF	12+1/4	8+5/8	24	0	400	170	400	0
1ST	7+7/8	5+1/2	15.5	0	2965	295	2965	0
1ST LINER	4+3/4	2+7/8	6.5	2482	6065			

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 note the waiver to the 30 day notice (Rule 305) and waiver to the consultation (Rule 306) can be found in the Surface Use Agreement attached to the associated Form 2A.

A separate DPW letter has not been sent, the DPW notification is covered by the BP San Juan Basin Colorado Wildlife Mitigation Plan (MWP) dated March 2011.

BP does not plan to fracture the horizontal portion of this well.

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

Location ID: 320857

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: Patti Campbell

Title: Regulatory Analyst Date: 5/7/2015 Email: patricia.campbell@bp.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: *Matthew Lee* Director of COGCC Date: 7/29/2015

Expiration Date: 07/20/2017

API NUMBER 05 007 06317 02

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

	<p>1) Provide 48 hrs Notice of Spud and 24 hrs Notice to Run and Cement Casing via COGCC eform 42</p> <p>2) Sample and test two closest water wells within a 1/2 mile of that portion of the wellbore pathway that cuts through only the Fruitland Coal (Horizontal dimension – Top to bottom of pay) (see Rule 608) (see Policy-Ignacio Blanco Field – Notice to Operators 7/10/2009 and revised on 2/17/2011). Because there is a PA conventional well within a 1/4 mile the distance to test water well increases from 1/4 mile to 1/2 mile.</p> <p>3) Operators are required to obtain a bottom hole pressure utilizing a bottom hole gauge after a minimum 48 hour shut-in period following completion and prior to sales (Rule 608)</p> <p>4) Borehole problems encountered while drilling that require an unplanned sidetrack: Contact, discuss & receive approval within 24 hrs of occurrence from COGCC Regional Engineer – Mark Weems</p> <p>970-259-4587 off 970-749-0624 cell mark.weems@state.co.us</p> <p>5) Contact COGCC Regional Engineer – Mark Weems when encountering a well control issue, unexpected water flows, and unexpected Hydrogen Sulfide.</p>
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Best Management Practices

No BMP/COA Type

Description

1	Drilling/Completion Operations	<p>317.p One of the first wells drilled on the pad will be logged with an open-hole resistivity log with gamma-ray from TD to into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on the production casing (or intermediate casing if production liner is run). All wells on the pad will have the horizontal portion of the wellbore logged with a measured-while-drilling log with gamma-ray. The Form 5, Completion Report, for each well on the pad will list all logs run and have those logs attached. The Form 5 for a well without open-hole logs shall clearly state "No open-hole logs were run." The Form 5 for a well without open-hole logs shall clearly identify (by API#, well name & number) the well in which open-hole logs were run.</p>
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Total: 1 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
1857593	SELECTED ITEMS REPORT
400829331	APD APPROVED
400833302	OTHER
400833303	WELL LOCATION PLAT
400833304	DEVIATED DRILLING PLAN
400833306	DIRECTIONAL DATA
400837053	P&A ASSESSMENT
400872022	FORM 2 SUBMITTED

Total Attach: 8 Files

General Comments

User Group	Comment	Comment Date
Permit	APD was "re-approved" with correct API and wellbore designation.	7/29/2015 10:08:20 AM
Permit	This well is the sidetrack off the 1st lateral well of a pilot-lateral drilling plan and will be drilled third, therefore the API designation of -02 has been applied to this Form 2. Final Review Completed. No LGD or public comment received.	7/21/2015 9:17:19 AM
OGLA	Corrected distance from WELL to PUBLIC ROAD per operator (from 1960' to 1710") based on closer public road identified on COGCC's Online GIS Map.	7/21/2015 7:58:27 AM
Engineer	A previously plugged and abandoned well was found within the 1320' of the well bore for this well and the required plugging assessment from the operator's engineer was reviewed and deemed acceptable (BP Seibel GU 1 API #067-05222).	5/26/2015 4:11:54 PM
Engineer	Because a PA well and/or conventional well has been found within 1320' of the proposed lateral, selected water wells to be sampled and analyzed will be extended to 1/2 mile if none are found within a 1/4 mile of the lateral.	5/26/2015 4:07:30 PM
Engineer	This APD pertains just to the Coal Bed Methane (CBM) lateral #1 portion of the well. Both the surface and production casings were previously assessed and approved in the pilot well and have been carried forward with this permit for reference purposes. Initial drilling on all laterals will commence at a depth near the bottom end of the production casing depicted in the pilot well (API ex "00"). The casing in this lateral will be a slotted liner and will not be cemented in place. These laterals will be completed naturally and will not be fracture stimulated. The Statewide HZ Offset Well Policy does not apply to horizontal wells not being fracture stimulated in the pay zone.	5/26/2015 4:06:29 PM
Permit	Made the following changes per phone conversation with operator, 5/21/15: Corrected total acres in described lease from 620 to 320. Sidetrack dropdown changed to "YES." Checked "Surface owner has signed O&G lease."	5/21/2015 9:52:34 AM
Permit	Passed Completeness	5/11/2015 3:29:52 PM
Permit	1.) In the Exceptions tab the exception 604.b.(2) was unchecked per Operator request.	5/11/2015 11:58:48 AM

Total: 9 comment(s)