

FORM  
2

Rev  
08/13

## State of Colorado

### Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203  
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400850499

Date Received:

07/14/2015

#### APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER \_\_\_\_\_

Refiling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: MT-GLENFAIR

Well Number: 5-8-7

Name of Operator: EXTRACTION OIL & GAS LLC

COGCC Operator Number: 10459

Address: 370 17TH STREET SUITE 5300

City: DENVER

State: CO

Zip: 80202

Contact Name: Alyssa Andrews

Phone: (720)420-5749

Fax: ( )

Email: alyssa.andrews@iptenergyservices.com

#### RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20130028

#### WELL LOCATION INFORMATION

QtrQtr: NENW Sec: 9 Twp: 5N Rng: 65W Meridian: 6

Latitude: 40.417630

Longitude: -104.671660

Footage at Surface: 1164 feet FNL/FSL FNL 1755 feet FEL/FWL FWL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 4636

County: WELD

GPS Data:

Date of Measurement: 07/09/2014 PDOP Reading: 1.4 Instrument Operator's Name: CRW

If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL FNL/FWL Bottom Hole: FNL/FSL FEL/FWL  
674 FSL 460 FEL 744 FSL 460 FWL  
Sec: 8 Twp: 5N Rng: 65W Sec: 7 Twp: 5N Rng: 65W

#### 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: No

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.)

Please see the attached lease map

Total Acres in Described Lease: 34 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: 522 Feet  
Building Unit: 522 Feet  
High Occupancy Building Unit: 3459 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 425 Feet  
Above Ground Utility: 408 Feet  
Railroad: 4032 Feet  
Property Line: 232 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: 03/05/2015

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: 03/09/2015

## SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 346 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

Sec 8-5N-65W: S/2  
Sec 7-5N-65W: S/2

## 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           |                         | 640                           | GWA                                  |

## DRILLING PROGRAM

Proposed Total Measured Depth: 18129 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 186 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H<sub>2</sub>S 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? Yes

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           | 80        | 100     | 0       |
| SURF        | 12+1/4       | 9+5/8          | 36    | 0             | 1500          | 400       | 1500    | 0       |
| 1ST         | 7+7/8        | 5+1/2          | 20    | 0             | 18129         | 1715      | 18129   | 1500    |

☐ 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 to nearest wellbore permitted/completed in the same formation: 346' (MT-Glenfair 4-8-7)  
Distance to nearest wellbore penetrating the objective formation: 186' (MT-Glenfair C8-8-7)

This application is in a Comprehensive Drilling Plan \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: \_\_\_\_\_

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: Alyssa Andrews

Title: Operations Engineer Date: 7/14/2015 Email: alyssa.andrews@iptenergyservi

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:  Director of COGCC Date: 9/11/2015  
Expiration Date: 09/10/2017

### API NUMBER

05 123 42169 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.

### COA Type

### Description

|  |  |
|--|--|
|  | 1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.<br>2) Comply with Rule 317.j and provide cement coverage from the bottom of the production casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.<br>3) Run and submit Directional Survey from TD to base of surface casing. The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well. |
|--|--|

## Best Management Practices

### No BMP/COA Type

### Description

|   |          |  |
|---|----------|--|
| 1 | Planning | 604.c(2)M. Fencing: A meeting with the surface owner will determine a fencing plan. Fencing will also be part of the Use by Special Review application with the City of Greeley.   |
| 2 | Planning | 804. Visual Impacts: All long term facility structures will be painted a color that enables the facilities to blend in with the natural background color of the landscape, as seen from a viewing distance and location typically used by the public. Maintain appearance with garbage clean-up; a trash bin will be located on site to accumulate waste by the personnel drilling the wells. Site will have unused equipment, trash and junk removed immediately. |

|    |  |   |
|----|--|---|
| 3  | Planning                               | 604.c.(2)J.i Blowout Prevention Equipment ("BOPE"): A double ram and annular preventer will be used during drilling. Stabbing valves shall be installed in the event of reverse circulation and shall be prior tested with low and high pressure fluid.   |
| 4  | Planning                               | 604.c.(2)J.ii Backup stabbing valves will be required on well servicing operations during reverse circulation. Valves shall be pressure tested before each well servicing operation using both low-pressure air and high-pressure fluid.  |
| 5  | Planning                               | 604.c.(2)N. Control of fire hazards: All material that is considered a fire hazard shall be a minimum of 25' from the wellhead tanks or separators. Electrical equipment shall comply with API IRP 500 and will comply with the current national electrical code.   |
| 6  | Traffic control                        | 604.c.(2)S. Access Roads: The access road will be constructed to accommodate local emergency vehicles. This road will be maintained for access at all times. Traffic will be routed to minimize local interruption. Dust control measures will also be utilized.  |
| 7  | Traffic control                        | RULE 604.c.(2)D: If required by the local government, a traffic plan shall be coordinated with the local jurisdiction prior to commencement of move in and rig up. Any subsequent modification to the traffic plan must be coordinated with the local jurisdiction. A traffic impact study will be completed by a professional traffic engineer and submitted to the City of Greeley as part of the Use by Special Review Process.  |
| 8  | General Housekeeping                   | 604.c.(2)P. Trash Removal: All trash, debris and material not intrinsic to the operation of the oil and gas facility shall be removed and legally disposed of as applicable.  |
| 9  | Storm Water/Erosion Control            | Implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s). An Erosion and Sediment Control Plan will be submitted as part of the Use By Special Review process with the City of Greeley and will be covered under Extraction Oil & Gas's field wide permit, permit number COR03M013.   |
| 10 | Material Handling and Spill Prevention | : 604.c.(2)F. Leak Detention Plan: Pumper will visit the location daily and visually inspect all tanks and fittings for leaks. Additionally, monthly documented SPCCP inspections are conducted pursuant to 40 CFR 112.   |
| 11 | Material Handling and Spill Prevention | 604.c.(2)R Tank Specifications: Tanks will be designed, constructed and maintained in accordance with NFPA Code 30. The tanks are visually inspected once a day for issues, and recorded inspections are conducted once a month.  |
| 12 | Dust control                           | Operator shall employ practices for control of fugitive dust caused by their operations. Such practices shall include but are not limited to the use of speed restrictions, regular road maintenance, restriction of construction activity during high- wind days, and silica dust controls when handling sand used in hydraulic fracturing operations. Additional management practices such as road surfacing, wind breaks and barriers may be used.   |
| 13 | Construction                           | 604.c.(3)B. Berm Construction. Tank berms shall be constructed of steel rings with a synthetic or engineered liner and designed to contain 150% of the capacity of the largest tank. All berms will be visually checked periodically to ensure proper working condition. Secondary containment devices shall be sufficiently impervious to contain any spilled or released material. Tertiary containment, such as an earthen berm, will be installed around production facilities. All berms will be visually checked periodically to ensure proper working condition. |
| 14 | Construction                           | 803 Light sources during all phases of operations will be directed downwards and away from occupied structures where possible. Permanent lighting shall be mounted at compressor stations on a pole or building and directed downward to illuminate key areas within the facility, while minimizing the amount of light projected outside the facility. If any permanent lighting is proposed, a photometric plan will be submitted to the City of Greeley as part of the Use by Special Review Process.  |
| 15 | Construction                           | 604.c.(2).Q. All guy line anchors left buried for future use shall be identified by a marker of bright color not less than four (4) feet in height and not greater than one (1) foot east of the guy line anchor.   |
| 16 | Construction                           | 604.c.(2).E. This will be a multi-well pad, located in a manner which allows for the greatest distances possible from residential areas.  |
| 17 | Noise mitigation                       | 604.c.(2)A. If necessary, sound walls and/or hay bales will be used to surround the well site during drilling and completion operations. If feasible, the drill rig will be powered by electricity.   |

|    |                                |  |
|----|--------------------------------|--|
| 18 | Emissions mitigation           | 604.c.(2)C.i. Green Completions - Emission Control System: Test separators and associated flow lines and sand traps shall be installed on-site to accommodate green completions techniques pursuant to COGCC Rules. There will be a sales line to connect to.  |
| 19 | Odor mitigation                | 805: Oil & gas facilities and equipment shall be operated in such a manner that odors and dust do not constitute a nuisance or hazard to public welfare. The production facilities will have VOC combustors with emission control devices to comply with the Department of Public Health and Environment, Air Quality Control Commission.  |
| 20 | Drilling/Completion Operations | RULE 604.c.i: Upon initial rig-up and at least once every thirty (30) days during drilling operations thereafter, pressure testing of the casing string and each component of the blowout prevention equipment including flange connections shall be performed to seventy percent (70%) of working pressure or seventy percent (70%) of the internal yield of casing, whichever is less. Pressure testing shall be conducted and the documented results shall be retained by the operator for inspection by the Director for a period of one (1) year. Activation of the pipe rams for function testing shall be conducted on a daily basis when practicable.  |
| 21 | Drilling/Completion Operations | 604.c.(2)L. Closed chamber drill stem tests shall be allowed. All other drill stem tests shall require approval by the Director. None planned for this well.   |
| 22 | Drilling/Completion Operations | 604.c.(2).K. Drilling and Completion- Pit level Indicators shall be used on location.  |
| 23 | Drilling/Completion Operations | 604.c.(2).O. Drilling and Completion-All loadlines shall be bullplugged or capped.   |
| 24 | Drilling/Completion Operations | 604.c.(2)B.i Operator will be utilizing a closed loop system   |
| 25 | Drilling/Completion Operations | Operator acknowledges and will comply with COGCC policy for Bradenhead Monitoring during Hydraulic Fracturing treatments in the Greater Wattenberg Area dated May 29, 2012.  |
| 26 | Drilling/Completion Operations | 317.p One of the first wells drilled on the pad will be logged with open-hole Resistivity Log and Gamma Ray Log from the kick-off point into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. 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" and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run. |
| 27 | Drilling/Completion Operations | MLVT COGCC Policy Compliance: Extraction will comply with the COGCC Policy on the use of Modular Large Volume Tanks in Colorado in effect as of June 13, 2014  |
| 28 | Interim Reclamation            | Operator shall be responsible for segregating the topsoil, backfilling, repacking, reseeding, and re-contouring the surface of any disturbed area so as not to interfere with Owner's operations and shall reclaim such area to be returned to pre-existing conditions as best as possible with control of all noxious weeds.  |
| 29 | Final Reclamation              | 604.c.(2)T. Within 90 days subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site. Identification of plugged and abandoned wells will be identified pursuant to 319.a.(5)  |
| 30 | Final Reclamation              | 604.c.(2).U. Final Reclamation-The operator shall identify the location of the wellbore with a permanent monument as specified in Rule 319.a.(5). The operator shall also inscribe or imbed the well number and date of plugging upon the permanent monument.  |

Total: 30 comment(s)

### **Applicable Policies and Notices to Operators**

Notice Concerning Operating Requirements for Wildlife Protection.

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

### **Attachment Check List**

| <b><u>Att Doc Num</u></b> | <b><u>Name</u></b>         |
|---------------------------|----------------------------|
| 400850499                 | FORM 2 SUBMITTED           |
| 400850501                 | WELL LOCATION PLAT         |
| 400854119                 | MINERAL LEASE MAP          |
| 400854354                 | PROPOSED SPACING UNIT      |
| 400857336                 | DEVIATED DRILLING PLAN     |
| 400857337                 | DIRECTIONAL DATA           |
| 400865818                 | SURFACE AGRMT/SURETY       |
| 400867821                 | OffsetWellEvaluations Data |
| 400870359                 | EXCEPTION LOC REQUEST      |
| 400870405                 | EXCEPTION LOC WAIVERS      |

Total Attach: 10 Files

## General Comments

| <u>User Group</u> | <u>Comment</u>  | <u>Comment Date</u>      |
|-------------------|---|--------------------------|
| Permit            | Final Review Completed. LGD comment addressed in the related form 2A doc 400863934 with a COA "When the City of Greeley's USR process is completed for this oil and gas location, the Operator shall submit a Form 4 Sundry for the location with the BMPs from the approved USR. The individual BMPs must be listed on the BMP section of the Form 4 Sundry." ; no public comment received.  | 9/10/2015<br>2:33:35 PM  |
| Permit            | In Process--related 2A back in process.   | 9/3/2015 2:45:26<br>PM   |
| Engineer          | Revised casing program per operator.  | 8/26/2015<br>10:42:30 AM |
| Permit            | On hold---Related 2A is on hold.  | 8/21/2015<br>8:37:27 AM  |
| LGD               | <p>The City of Greeley recently received and is reviewing an application for local land use approval from the applicants for this proposed oil and gas facility (Planning File No. USR 13:15).The City respectfully requests that the State withhold approval of any State permit until the operator successfully receives local land use approval, in this instance a Use by Special Review permit.The City of Greeley requests that, as part of the approval of the Form 2 Permit, all design and operational elements of the USR permit be honored, consistent, and incorporated.Please contact City staff for a copy of the approved and recorded Use by Special Review Permit, and please support the City requirement that this be available on-site for reference.</p> <p>If the COGCC does not withhold approval, the City then requests that the State application be approved with the condition that the Form 2 Permit be subsequently formally amended to incorporate any site and/or operational standards that get finalized through the local Use by Special Review permit.The City believes this deference is consistent with, and in the spirit of, the standing Memorandum of Understanding between the City of Greeley and the COGCC, and at the same time the City acknowledges the State's right to determine areas of operational conflict that would otherwise prohibit the incorporation of such standards into an Amended Form 2 Permit.</p> | 8/18/2015<br>4:58:21 PM  |
| Engineer          | Offset Wells Evaluated  | 7/30/2015<br>3:13:02 PM  |
| Permit            | Town of Greeley requested extension of public comment period. Comment period extended until 8/20/2015.  | 7/22/2015<br>8:42:51 AM  |
| Permit            | Passed completeness.  | 7/21/2015<br>12:01:47 PM |
| Permit            | Returned to draft per Operator request.   | 7/16/2015<br>2:37:20 PM  |

Total: 9 comment(s)