

**APPLICATION FOR PERMIT TO:**

**Drill**       Deepen       Re-enter       Recomplete and Operate

TYPE OF WELL    OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____	Refiling <input type="checkbox"/>	Date Received: 06/12/2015
ZONE TYPE    SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input type="checkbox"/>	

Well Name: Pathfinder C-18      Well Number: #2

Name of Operator: AUS-TEX EXPLORATION INC      COGCC Operator Number: 10412

Address: 7985 W 16TH AVENUE

City: LAKEWOOD      State: CO      Zip: 80214

Contact Name: Aaron Goss      Phone: (303)4950327      Fax: ( )

Email: agoss@austinexploration.com

**RECLAMATION FINANCIAL ASSURANCE**  
Plugging and Abandonment Bond Surety ID: 20120088

**WELL LOCATION INFORMATION**

QtrQtr: NWNE      Sec: 18      Twp: 20S      Rng: 69W      Meridian: 6

Latitude: 38.313796      Longitude: -105.148180

Footage at Surface: <u>757</u> feet	FNL/FSL	FEL/FWL
<u>FNL</u> <u>1607</u> feet	<u>FEL</u>	

Field Name: WILDCAT      Field Number: 99999

Ground Elevation: 5961      County: FREMONT

GPS Data:  
Date of Measurement: 06/05/2015    PDOP Reading: 1.2    Instrument Operator's Name: Dennis Petty

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>757</u> feet	<u>FNL</u> <u>1607</u>	<u>FEL</u>	<u>857</u> feet	<u>FNL</u> <u>1430</u>	<u>FEL</u>
Sec: <u>18</u> Twp: <u>20S</u> Rng: <u>69W</u>			Sec: <u>18</u> Twp: <u>20S</u> Rng: <u>69W</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: Bond

Surface damage assurance if no agreement is in place: Blanket      Surface Surety ID: 20140022

**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 attached description. This 10,431 acre lease hold is a single lease

Total Acres in Described Lease: 10431 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: 757 Feet

**CULTURAL DISTANCE INFORMATION**

Distance to nearest:

Building: 1010 Feet

Building Unit: 2105 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 281 Feet

Above Ground Utility: 5280 Feet

Railroad: 5280 Feet

Property Line: 301 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: 650 Feet

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

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

**SPACING & FORMATIONS COMMENTS**

C-18#4 will be drilled before C-18#2. Please see the attached location exception request self waiver letter in the attachments

**OBJECTIVE FORMATIONS**

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
PIERRE	PRRE			

**DRILLING PROGRAM**

Proposed Total Measured Depth: 3996 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 650 Feet (Including plugged wells)

Will a closed-loop drilling system be used? No

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? 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: Evaporation

Cuttings Disposal: ONSITE Cuttings Disposal Method: Drilling pit

Other Disposal Description:

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
CONDUCTOR	17	13+3/8	54.5	0	160	15	160	0
SURF	12+1/4	8+5/8	23	0	1000	105	1000	0
1ST	6+1/4	4+1/2	11.6	0	3996			

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? Yes

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

Signed: \_\_\_\_\_ Print Name: Hakan Corapcioglu

Title: Chief Engineer, Agent Date: 6/12/2015 Email: hcorapcioglu@austinexploratio

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: 9/18/2015

Expiration Date: 09/17/2017

**API NUMBER**

05 043 06229 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) Provide 48 hour notice of spud via electronic Form 42.
- 2) Comply with Rule 321. Run and submit directional survey from TD to surface. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.
- 3) If well is a dry hole, set 50 sks cement 1/2 out, 1/2 in surface casing, 10 sks cement top of surface casing, cut casing 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole.

## Best Management Practices

<b>No</b>	<b>BMP/COA Type</b>	<b>Description</b>
1	General Housekeeping	Housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup will be required to minimize any commingling of waste materials with stormwater runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling. There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup will consist of patrolling the roadways, access areas, and other work areas to pick up trahs, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly.
2	Dust control	Aus-Tex will apply appropriate measures to ensure dust control and mitigate potential impacts resulting from dust emissions
3	Drilling/Completion Operations	Open-hole Resistivity Log with Gamma Ray Log will be run from TD into the surface casing. A Cement Bond Log with Gamma-Ray will be run on production casing, or on intermediate casing if a production liner is run. The Form 5, Completion Report, will list all logs run and have those logs attached.

Total: 3 comment(s)

## Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

## Attachment Check List

<b>Att Doc Num</b>	<b>Name</b>
400852028	FORM 2 SUBMITTED
400853063	WELL LOCATION PLAT
400853082	LEGAL/LEASE DESCRIPTION
400853083	DEVIATED DRILLING PLAN
400853089	DIRECTIONAL DATA
400853803	EXCEPTION LOC REQUEST

Total Attach: 6 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	The lands are not spaced, there is no unit; removed 757' as distance to nearest unit boundary. Exception Location granted per Rule 318.c; the encroached upon well is located on the same lease as proposed well.	9/18/2015 5:10:34 PM
Permit	Final Review Completed. No LGD or public comment received.	9/18/2015 4:27:39 PM
Permit	Per 2A comments, changed Cuttings Disposal Method to "Drilling Pit."	9/18/2015 4:23:09 PM
Permit	Passed completeness.	6/16/2015 11:31:52 AM
Permit	Returned to draft. 1.) Missing 317.p BMP. 2.) Coordinates entered for the Surface Hole Location do not match the Well Location Plat. 3.) The Exception Location Request attachment is corrupted.	6/15/2015 2:54:10 PM
Permit	Returned to draft per operator request so that operator can make additional revisions.	6/12/2015 4:09:38 PM
Permit	Returned to draft. 1.) Missing 317.p BMP. 2.) Directional Data does not match the Deviated Drilling Plan, Proposed Total Measured Depth, or the Casing depth. 3.) A Field name and number need to be specified. 4.) A County should be filled out.	6/12/2015 3:26:50 PM

Total: 7 comment(s)