

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

Date Received:
10/07/2015

Well Name: WAAG Well Number: 19

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: Kaleb Roush Phone: (720)557-8322 Fax: ()

Email: kroush@extractionog.com

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 20130028

WELL LOCATION INFORMATION

QtrQtr: SESW Sec: 19 Twp: 7N Rng: 65W Meridian: 6

Latitude: 40.554470 Longitude: -104.707150

Footage at Surface: 365 feet ^{FNL/FSL} FSL 2423 feet ^{FEL/FWL} FWL

Field Name: WATTENBERG Field Number: 90750

Ground Elevation: 4868 County: WELD

GPS Data:
Date of Measurement: 07/02/2014 PDOP Reading: 1.8 Instrument Operator's Name: Adam Kelly

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>1320</u>	<u>FSL</u>	<u>2214</u>	<u>1320</u>	<u>FSL</u>	<u>2230</u>
	<u>FWL</u>			<u>FEL</u>	
Sec: <u>19</u>	Twp: <u>7N</u>	Rng: <u>65W</u>	Sec: <u>24</u>	Twp: <u>7N</u>	Rng: <u>66W</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.)

Entire W/2 of Section 19 7N-65W

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: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1756 Feet

Building Unit: 1756 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 356 Feet

Above Ground Utility: 1480 Feet

Railroad: 3786 Feet

Property Line: 245 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: 660 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

Proposed 320 spacing-SE/4 Sec. 24 7N-66W & SW/4 Sec. 19 7N-65W

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CODELL	CODL		320	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 12200 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 660 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 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? 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	24	16	42	0	80	100	80	0
SURF	13+1/2	9+5/8	36	0	872	390	872	0
1ST	7+7/8	5+1/2	20	0	12200	1080	12200	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

Distance to nearest permitted or existing wellbore penetrating ojective formation AND distance from completed portion of wellbore to nearest wellbore permitted or completed in the same formation:

330' away from Farr Farms #1 (API #05-123-11177: CODL)

(SHL to SHL)

1) Distance from completed portion of wellbore to nearest wellbore permitted or completed in the same formation : 40' from proposed well Waag #21 - Codell
 2) Distance to nearest permitted or existing wellbore penetrating objective formation: 20' from the proposed well Waag #0 - Niobrara

COMMENTS FOR SIDETRACK

We had trouble on the Waag 19, hitting a fault the threw us into the Fort Hays and we had trouble recovering. The offset wells didn't show this aggressive of faulting, and we have wells on both sides of us.

We would like to pull back to 9958' and do an open hole sidetrack that will allow us to drill the rest of the well in zone.

Total MD drilled to: 11443'
 Surface casing – 9 5/8" 36# set at 870'.
 No fish in hole
 The plan is to open hole sidetrack
 Proposed sidetrack point – 9958' (91.1 degrees)
 Objective formation of sidetrack/curve: Codell
 Proposed BHL: 1320 FSL 2230 FEL Sec 24, T7N, R66W (Same as original APD). Thus, a revised Well Location Plat and Deviated Drilling Plan are not required.

Approval to proceed was granted by Diana Burn on 10/7/2015. Please see the attached Correspondence.

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: Kaleb Roush

Title: Engineering Technician Date: 10/7/2015 Email: kroush@extractionog.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: 10/12/2015

Expiration Date: 10/11/2017

API NUMBER
05 123 40351 01

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

<u>COA Type</u>	<u>Description</u>

Best Management Practices

No BMP/COA Type

Description

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

Attachment Check List

Att Doc Num

Name

<u>Att Doc Num</u>	<u>Name</u>
400913295	WELLBORE DIAGRAM
400913416	CORRESPONDENCE

Total Attach: 2 Files

General Comments

User Group

Comment

Comment Date

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Passed completeness. LGD and public comment periods waived by COGCC Staff. Comment periods do not apply to this application for an unplanned sidetrack when drilling is in progress.	10/8/2015 7:59:05 AM

Total: 1 comment(s)