

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>Lateral</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:
11/03/2015

Well Name: Fauver Well Number: 1-20

Name of Operator: NEWPEK LLC COGCC Operator Number: 10484

Address: 5221 N O'CONNOR BLVD #830

City: IRVING State: TX Zip: 75039

Contact Name: Tammy McNatt Phone: (972)556-3644 Fax: (972)556-3628

Email: tmcnatt@alfa.com.mx

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 20130093

WELL LOCATION INFORMATION

QtrQtr: NWSW Sec: 20 Twp: 9N Rng: 56W Meridian: 6

Latitude: 40.734300 Longitude: -103.666880

Footage at Surface: <u>1400</u> feet	FNL/FSL	FEL/FWL
	FSL <u>660</u> feet	FWL

Field Name: WILDCAT Field Number: 99999

Ground Elevation: 4520 County: WELD

GPS Data:
Date of Measurement: 09/16/2015 PDOP Reading: 1.4 Instrument Operator's Name: THOMAS CARLSON

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>1604</u>	FSL <u>660</u>	FWL	<u>1709</u>	FSL <u>660</u>	FWL
Sec: <u>20</u>	Twp: <u>9N</u>	Rng: <u>56W</u>	Sec: <u>17</u>	Twp: <u>9N</u>	Rng: <u>56W</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.)

SW4, S2NW4, NW4NW4 SECTION 20 9N 56W, SW4NW4 W2SW4 SECTION 17 9N 56W

Total Acres in Described Lease: 400 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: 660 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: 1385 Feet

Above Ground Utility: 2577 Feet

Railroad: 5280 Feet

Property Line: 660 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 proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 5280 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

AT LEAST 600' FROM ANY LEASE LINE AND AT LEAST 1,200' FROM ANY OTHER PRODUCIBLE OR DRILLING WELLBORE WITHIN THE SAME ZONE.

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			

DRILLING PROGRAM

Proposed Total Measured Depth: 10450 Feet

Distance from proposed wellbore to nearest existing or permitted wellbore belonging to another operator:

1180 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 609

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	28	20	94	0	85		85	0
SURF	12+1/4	9+5/8	36	0	1500	454	1500	0
1ST	8+3/4	7	26	0	5450	518	5450	0
1ST LINER	6+1/8	4+1/2	11.6	40	10450	518	10450	4200

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 No 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: Tammy McNatt

Title: Engineer Tech Date: 11/3/2015 Email: tmcnatt@alfa.com.mx

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: 3/4/2016

Expiration Date: 03/03/2018

API NUMBER
05 123 42868 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.

<u>COA Type</u>	<u>Description</u>
	Bradenhead tests shall be performed and reported according to the following schedule and Form 17 submitted within 10 days of each test.: 1) Within 30 days of rig release prior to stimulation. 2) Between 6 and 7 months after rig release. 3) Within 30 days of first production as reported on Form 5A.
	Operator shall comply with the DJ Basin Horizontal Offset Policy to mitigate the following offset well(s) of concern, and ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit Form 42(s) ("OFFSET MITIGATION COMPLETED") for the remediated wells, referencing the API Number of the proposed horizontal well(s) stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well. API # 05-123-05649, MCKENZIE ET AL #1
	1) Provide 48 hour notice prior to spud via electronic Form 42. 2) Provide cement coverage to a minimum of 200' above Niobrara. Verify coverage with cement bond log.

Best Management Practices

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

Applicable Policies and Notices to Operators

Policy
Notice Concerning Operating Requirements for Wildlife Protection. http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400929695	FORM 2 SUBMITTED
400929713	DRILLING PLAN
400929714	WELLBORE DIAGRAM
400929715	30 DAY NOTICE LETTER
400929716	DEVIATED DRILLING PLAN
400929718	OFFSET WELL EVALUATION
400932196	WELL LOCATION PLAT
400932310	DIRECTIONAL DATA

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Confirmed with area engineer that distance to nearest well on Drilling Tab was corrected and operator notified.	3/4/2016 12:08:13 PM
Permit	Final Review Completed.	3/3/2016 2:29:13 PM
Permit	Per operator corrected TOZ from 1400 FSL to 1604 FSL, Changed Type of well from Directional to Horizontal, Changed waste disposal from other to Commercial Disposal, and removal of several docs that belong on a 2A. Permitting Review Complete.	2/29/2016 3:06:18 PM
Permit	ON HOLD: requesting corrected TOZ, Type of wello, waste disposal, and removal of several docs that belong on a 2A.	2/29/2016 2:23:49 PM
Engineer	<p>Contacted operator (tmcnatt@alfa.com.mx): Errors in the casing program section of the form. For the 4-1/2" liner they put a setting depth of 5,450' and cement top of 4,000'. According to the drilling plan the liner is to be set at 10,450' and the top of liner is 4,200'. Operator agreed and I made the changes.</p> <p>Offset Well Evaluation: The following existing well within 1500' of the proposed directional plan that lacks adequate formation isolation: API # 05-123-05649, MCKENZIE ET AL #1, JUNIPER OIL AND MINING COMPANY, DA, distance=1220', Aquifers and Niobrara not adequately isolated. Not listed in the Offset Well Evaluation, so I added it. Put on hold waiting on Offset Well Evaluation acknowledgment. Operator acknowledged Newpek will re-enter and re-plug the well prior to stimulation of the Fauver #1-20.</p>	11/18/2015 10:43:37 AM
Permit	Passed completeness.	11/6/2015 11:22:43 AM
Permit	<p>Returned to Draft. Please indicate "Lateral" in "other" on well name tab. Need Directional data attachment - needs to be imported. All exhibits must be attached separately.</p>	11/5/2015 9:05:07 AM

Total: 7 comment(s)