

**APPLICATION FOR PERMIT TO:**

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

Date Received: 05/16/2018

TYPE OF WELL    OIL     GAS     COALBED     OTHER Lateral #1 ST #1

ZONE TYPE      SINGLE ZONE     MULTIPLE ZONES     COMMINGLE ZONES

Refilling   
Sidetrack

Well Name: EBC      Well Number: 10

Name of Operator: CATAMOUNT ENERGY PARTNERS LLC      COGCC Operator Number: 10464

Address: 1801 BROADWAY #1000

City: DENVER      State: CO      Zip: 80202

Contact Name: Nolan Redmond      Phone: (720)484-2347      Fax: (    )

Email: nredmond@catamountep.com

**RECLAMATION FINANCIAL ASSURANCE**

Plugging and Abandonment Bond Surety ID: 20160137

**WELL LOCATION INFORMATION**

QtrQtr: NESW      Sec: 34      Twp: 34N      Rng: 5W      Meridian: M

Latitude: 37.147113      Longitude: -107.382409

Footage at Surface: 2206 Feet <sup>FNL/FSL</sup> FSL 1867 Feet <sup>FEL/FWL</sup> FWL

Field Name: IGNACIO BLANCO      Field Number: 38300

Ground Elevation: 6514      County: ARCHULETA

GPS Data:  
Date of Measurement: 10/13/2017    PDOP Reading: 1.8    Instrument Operator's Name: Nelson Ross

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

Footage at Top of Prod Zone: <sup>FNL/FSL</sup> 1645 <sup>FEL/FWL</sup> FSL 687 <sup>FEL</sup> FEL    Bottom Hole: <sup>FNL/FSL</sup> 2049 <sup>FEL/FWL</sup> FSL 634 <sup>FEL</sup> FEL

Sec: 33    Twp: 34N    Rng: 5W      Sec: 32    Twp: 34N    Rng: 5W

**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.)

W/2NE/4, W/2, SE/4 SEC 28, SEC 33, NW/4NW/4 SEC 34, T34N R5W

Total Acres in Described Lease: 1240 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # COC70202

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 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: 728 Feet

Above Ground Utility: 5280 Feet

Railroad: 5280 Feet

Property Line: 2180 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: 1504 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 660 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): Bull Creek Unit Unit Number: COC68667X

**SPACING & FORMATIONS COMMENTS**

Bull Creek Unit: 34N 5W  
 19-21: All  
 26: W/2 SW  
 27-31: All  
 32: N/2, W/2 SW, NESE  
 33: All  
 34: NWNW  
 Plus additional acreage

**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			

## DRILLING PROGRAM

Proposed Total Measured Depth: 9155 Feet

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells:

Enter distance if less than or equal to 1,500 feet: \_\_\_\_\_ Feet  No well belonging to another operator within 1,500 feet

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? Yes

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: 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
SURF	12+1/4	9+5/8	36	0	500	286	500	0
1ST	8+3/4	7	23	0	4167	378	4167	0
1ST LINER	6+1/8	4+1/2	11.6	3760	9150			

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 

Drilling Order: Pilot Lateral 1 Lateral 1 ST 1
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This application is in a Comprehensive Drilling Plan       No       CDP #: \_\_\_\_\_

Location ID:       320863      

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:       Nolan Redmond      

Title:       Geo/Eng Tech       Date:       5/16/2018       Email:       nredmond@catamountep.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:              Director of COGCC Date:       7/25/2018      

Expiration Date:       07/24/2020      

<b>API NUMBER</b> 05 007 06331 02
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## 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>
	<p>1)The production casing string shall be cemented from the casing shoe to the surface by circulation methods. Verify production casing cement coverage with a cement bond log.</p> <p>2) If borehole problems occur while drilling and an unplanned sidetrack is required, the following shall apply:            a.) Before proceeding, contact the COGCC Engineer for verbal approval and provide an explanation as to what happened to the original borehole and what the plan is for the sidetrack.            Contact Information:            Craig Burger – Area Engineer            970-625-2497 ext 2 office            970-319-4194 cell            Craig.burger@state.co.us            b.) Adhere to the instructions provided in the “UNPLANNED Sidetrack While Drilling: Approval and Reporting Process – Southwestern Colorado San Juan Basing ONLY” that can be found on the COGCC website at:            Go to COGCC Web Site for more details if necessary            Regulation, Forms, Form 2-Permit to Drill, Instructions</p> <p>3) Contact COGCC Engineer – Craig Burger when encountering kicks requiring a mud weight increase of 0.5 ppg to control the kick, unexpected water flows, and unexpected Hydrogen Sulfide.</p>

## Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Rule 317.p: One of the first wells drilled on the pad will be logged with open-hole resistivity log with gamma-ray, from TD into the surface casing. All wells on the pad will have a cement bond log (CBL) with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. 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 will state “No open-hole logs were run” and will clearly identify the type of log and the well (by API#) in which openhole logs were run.

Total: 1 comment(s)

## Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.  
[http://cogcc.state.co.us/documents/reg/Policies/Wildlife\\_Notice.pdf](http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf)

## Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401640147	FORM 2 SUBMITTED
401640267	DIRECTIONAL DATA
401640268	DEVIATED DRILLING PLAN
401640271	WELLBORE DIAGRAM
401640272	WELL LOCATION PLAT
401670256	DIRECTIONAL DATA

Total Attach: 6 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	07/20/2018
Permit	Per operator: Corrected distance to nearest lease line and checked "is committed to an O&G lease." Added unit description, and removed unit acreage.	07/20/2018
Engineer	Offset water well check: COGCC evaluated offset water wells within one mile of this proposed well's surface hole location. All permitted water wells within the search radius show zero for reported depths. The offset shallow logs run in the Pargin Mountain Unit #11 gas well (API#067-06140) which is located on the same pad as this proposed well does not reveal any fresh water aquifers deeper than the operator's proposed surface casing.  Offset Well Evaluation: Offset oil and gas wells within 1,500 feet of this wellbore meet standards. Operator states this horizontal wellbore will not be fracture stimulated.  Directional data did not transfer to COGIS. 6/18: directional is correct.	06/11/2018
Permit	Passed Completeness.	05/24/2018

Total: 4 comment(s)