

**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:

Well Name: Melbon Ranch      Well Number: 4H-17H-M265

Name of Operator: CRESTONE PEAK RESOURCES OPERATING LLC      COGCC Operator Number: 10633

Address: 1801 CALIFORNIA STREET #2500

City: DENVER      State: CO      Zip: 80202

Contact Name: Erin Lind      Phone: (720)410-8478      Fax: ( )

Email: erin.lind@crestonepr.com

**RECLAMATION FINANCIAL ASSURANCE**

Plugging and Abandonment Bond Surety ID: 20160104

**WELL LOCATION INFORMATION**

QtrQtr: SWSW    Sec: 17    Twp: 2N    Rng: 65W    Meridian: 6

Latitude: 40.134724      Longitude: -104.696629

Footage at Surface:      FNL/FSL      FEL/FWL  
1225    Feet    FSL      219    Feet    FWL

Field Name: WATTENBERG      Field Number: 90750

Ground Elevation: 4956      County: WELD

GPS Data:  
Date of Measurement: 11/30/2018    PDOP Reading: 6.3    Instrument Operator's Name: Brett Hill

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>890</u>	<u>FSL</u>	<u>460</u>	<u>890</u>	<u>FSL</u>	<u>460</u>
		<u>FWL</u>			<u>FEL</u>
Sec: <u>17</u>	Twp: <u>2N</u>	Rng: <u>65W</u>	Sec: <u>17</u>	Twp: <u>2N</u>	Rng: <u>65W</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.)

N/2NE/4, S/2, Sec 17, T2N, R65W

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: 460 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1632 Feet  
Building Unit: 1863 Feet  
High Occupancy Building Unit: 5280 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 1206 Feet  
Above Ground Utility: 1869 Feet  
Railroad: 5280 Feet  
Property Line: 219 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: 116 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 Spacing Unit = Township 2 North, Range 65 West  
S½ of Section 17

## 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		320	GWA

## DRILLING PROGRAM

Proposed Total Measured Depth: 12004 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: 246 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? \_\_\_\_\_ (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	42.09	0	121	78	121	0
SURF	13+1/2	9+5/8	40	0	2377	977	2377	0
1ST	8+1/2	5+1/2	20	0	12027	1529	12027	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	<p>Per COGCC Guidance Document: Explanation of the situation that resulted in the need to sidetrack: The Melbon Ranch 4H-17H-M265 encountered graben faulting that dropped the Sharon Springs formation significantly deeper than originally planned. As drilling operations progressed in the lateral, faulting was encountered and the Sharon Springs formation was drilled from 8,438 ft MD to 8,598 ft MD (~160 ft). Drilling operations were stopped at this point, and based on previous lost fish/sidetrack operations experienced on the Melbon Ranch 4E-17H-M265 (well on same pad) an open-hole sidetrack was performed.</p> <p>Total measured depth reached in the wellbore being plugged back: 8,598 ft MD / 7,121 ft TVD</p> <p>Casing set – size(s) and measured depth(s): 16" 40 lb/ft A252 conductor pipe set at 121 ft TVD, cemented back to surface 9-5/8" 40 lb/ft J55 LTC surface casing set at 2,377 ft MD / 2,367 ft TVD, cemented back to surface</p> <p>Description of fish in the hole (if any): No fish in wellbore</p> <p>Description of proposed plugs: setting measured depths, heights, and cement volumes: No cement/mechanical plugs set</p> <p>Type of cement to be used for all plugs, including slurry weight (ppg) and yield (cf/sk): No cement/mechanical plugs set</p> <p>Measured depth of proposed sidetrack kick-off point: Actual KOP was 7,781 ft MD / 7,161 ft TVD</p> <p>Proposed objective formation(s) for sidetrack hole – new or same as the wellbore being abandoned: Same formation – Niobrara</p> <p>BHL target for sidetrack hole – new or same as the wellbore being abandoned: Same BHL as wellbore being abandoned</p> <p>MELBON RANCH 4H-17H-M265 Open-Hole Sidetrack No change to original approved well SHL or BHL coordinates. Original Wellbore TD: 8,598 ft MD / 7,121 ft TVD (within faulted Sharon Springs formation, ~8,438 ft to 8,598 ft = 160 ft, remaining footage was within Niobrara formation) Open-Hole KOP: 7,781 ft MD / 7,161 ft TVD (within faulted Niobrara formation) No cement/mechanical plug was set for the open hole sidetrack operations. Sidetrack Wellbore TD: 12,027 ft MD / 7,090 ft TVD 5.5" production casing was run to 12,027 ft MD and cemented as per original plan with no issues .</p>
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This application is in a Comprehensive Drilling Plan No CDP #: \_\_\_\_\_

Location ID: 428103

Is this application being submitted with an Oil and Gas Location Assessment application? No

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

Signed: \_\_\_\_\_ Print Name: Erin Lind

Title: Regulatory Analyst Date: \_\_\_\_\_ Email: erin.lind@crestonepr.com

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: \_\_\_\_\_  
Expiration Date: \_\_\_\_\_

<b>API NUMBER</b>
05 123 47754 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.

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

### Best Management Practices

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

### Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401893598	DEVIATED DRILLING PLAN
401893599	CORRESPONDENCE
401893600	DIRECTIONAL DATA
401894044	WELLBORE DIAGRAM

Total Attach: 4 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
		Stamp Upon Approval

Total: 0 comment(s)

## **Public Comments**

No public comments were received on this application during the comment period.