

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Date Received:
06/14/2019

TYPE OF WELL OIL GAS COALBED OTHER: _____ Refilling

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES Sidetrack

Well Name: Fox Creek Well Number: 36-0164B

Name of Operator: HIGHPOINT OPERATING CORPORATION COGCC Operator Number: 10071

Address: 555 17TH ST STE 3700

City: DENVER State: CO Zip: 80202

Contact Name: Delores Montoya Phone: (303)312-8145 Fax: ()

Email: dmontoya@hpres.com

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 20040060

WELL LOCATION INFORMATION

QtrQtr: SWSW Sec: 25 Twp: 12N Rng: 63W Meridian: 6

Latitude: 40.974473 Longitude: -104.386126

Footage at Surface: 390 Feet FNL/FSL FSL 1296 Feet FEL/FWL FWL

Field Name: HEREFORD Field Number: 34200

Ground Elevation: 5411 County: WELD

GPS Data:
Date of Measurement: 08/16/2018 PDOP Reading: 1.8 Instrument Operator's Name: RYAN WILLIAMS

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

150 FNL 180 FWL 90 FSL 180 FWL

Sec: 36 Twp: 12N Rng: 63W Sec: 1 Twp: 11N Rng: 63W

LOCAL GOVERNMENT INFORMATION

County: WELD Municipality: N/A

Per § 34-60-106 (1)(f)(I)(A), the following questions pertain to the "local government with jurisdiction to approve the siting of the proposed oil and gas location."

The local government with jurisdiction is: County

Does the local government with jurisdiction regulate the siting of Oil and Gas Locations, with respect to this COGCC application? If the local government has waived its right to precede the COGCC in siting determination, indicate by selecting "NO" here and selecting "Waived" below. Yes No

If yes, in checking this box, I hereby certify that an application has been filed with the local government with jurisdiction to approve the siting of the proposed oil and gas location.

The local government siting permit type is: _____

The local government siting permit was filed on: _____

The disposition of the application filed with the local government is: Waived

Additional explanation of local process:

On 5/29/2019, Bruce Barker, Weld County Attorney, temporarily waives it's right to have WOGLA complete prior to the COGCC acting upon Form 2 and Form 2A (see attached email).

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: Surface Use Agreement

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.)

Please view attached lease map.

Total Acres in Described Lease: 640 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # CO 8755.5

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

CULTURAL DISTANCE INFORMATION

Distance to nearest:

- Building: 3906 Feet
- Building Unit: 3906 Feet
- High Occupancy Building Unit: 5280 Feet
- Designated Outside Activity Area: 5280 Feet
- Public Road: 1282 Feet
- Above Ground Utility: 1330 Feet
- Railroad: 5280 Feet
- Property Line: 390 Feet
- School Facility: 5280 Feet
- School Property Line: 5280 Feet
- Child Care Center: 5280 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, Designated Outside Activity Area, School Facility, and Child Care Center – 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 INFORMATIONDistance from completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 307 FeetDistance from Completed Portion of Wellbore to Nearest Unit Boundary 150 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS**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	421-121	1280	All Sec. 1 & 36

DRILLING PROGRAMProposed Total Measured Depth: 18393 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 feetWill a closed-loop drilling system be used? YesIs 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? NoWill salt based (>15,000 ppm Cl) drilling fluids be used? NoWill oil based drilling fluids be used? NoBOP 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: Land applicationCuttings Disposal: OFFSITE Cuttings Disposal Method: Beneficial reuse

Other Disposal Description:

Beneficial reuse or land application plan submitted? YesReuse Facility ID: 454282 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	13+1/2	9+5/8	36	0	1500	730	1500	0
1ST	8+3/4	7	23	0	7959	772	7959	1300
1ST LINER	6+1/8	4+1/2	11.6	7059	18393	575	18393	7059

 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 well has a bottom-hole location beyond the unit boundary setback. The bottom of the completed interval will be within the unit boundary setback at 150' FSL and 180' FWL of Section 1. The wellbore beyond the unit boundary setback will be physically isolated and will not be completed.

The distance from completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed within the unit was measured to the Fox Creek 36-0164D, this distance was measured in 2D.

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: Delores Montoya

Title: Sr. Regulatory Analyst Date: 6/14/2019 Email: dmontoya@hpres.com

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules, applicable orders, and SB 19-181 and is hereby approved.

COGCC Approved: _____ Director of COGCC Date: _____

Expiration Date: _____

API NUMBER

05

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>
Drilling/Completion Operations	<p>1) Submit Form 42 online to COGCC 48 hours prior to MIRU (spud notice) for the first well activity with a rig on the pad and provide 48 hour spud notice via Form 42 for all subsequent wells drilled on the pad.</p> <p>2) Provide cement coverage to a minimum of 200' above Niobrara. Verify coverage with cement bond log.</p> <p>3) Oil-based drilling fluid is to be used only after setting surface casing.</p> <p>Bradenhead Bradenhead tests shall be performed and reported according to the following schedule and Form 17 submitted within 10 days of each test.:</p> <p>1) All: Within 60 days of rig release, prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation.</p> <p>2) Delayed completion: 6 months after rig release, prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation.</p> <p>3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.</p>
Drilling/Completion Operations	<p>Operator will ensure the wellbore beyond the unit boundary setback is physically isolated and is not completed. In the Operator Comments on the Form 5A the operator will (1) report the footages from the section lines of the bottom of the completed interval (2) describe how the wellbore beyond the unit boundary setback is physically isolated and (3) certify that none of the wellbore beyond the setback was completed.</p>

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	HighPoint will adhere to the COGCC Policy for Bradenhead Monitoring effective 5/29/12.
2	Drilling/Completion Operations	Multi Well Open-Hole Logging – Rule 317.p: Alternative Logging Program: One of the first wells drilled on the pad will be logged with open-hole resistivity log and gamma-ray log from the kick-off point into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. 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 shall state “Alternative Logging Program -No open-hole logs were run” and shall clearly identify the type of log and the well (by API#) in which open-hole logs were run.

Total: 2 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

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401887165	FORM 2 RESUBMITTED
402064621	FORM 2 REJECTED
402070148	OffsetWellEvaluations Data
402070150	DIRECTIONAL DATA

402070162	WAIVERS
402070226	DEVIATED DRILLING PLAN
402070230	MINERAL LEASE MAP
402070232	WELL LOCATION PLAT
402070234	SURFACE AGRMT/SURETY

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit (Rejected)	REJECTION: This APD has been rejected per the COGCC Rejection Process (updated May 21, 2019). Another APD on the same pad had the incorrect Latitude and Longitude, incorrect Right to Construct, and incorrect Distance to Nearest Public Road. This APD has not been reviewed.	07/15/2019
Permit	Passed Completeness.	06/25/2019
Permit (Rejected)	REJECTION COMMENT: This APD is being rejected per the Rejection Process because a total of 6 (six) errors were found during the technical review. This entire form was reviewed by permitting staff.	06/04/2019
Engineer	Evaluated existing wells within 1500' of proposed directional.	05/31/2019
Permit	Operator comment for drilling beyond the setback is for the incorrect section. Incorrect Spacing Order. Unit Configuration is not comprehensive. Distance to Nearest Well is correct, but operator comment describing which well it was measured to is incorrect. Right to Construct is incorrect. Distance to Nearest Public Road does not reflect the 2A, Doc #401883739.	05/22/2019
Permit	Returned to draft - Lat/long on Well Location tab does not match plat. Corrected by operator.	01/13/2019

Total: 6 comment(s)

Public Comments

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

REJECTED