

APPLICATION FOR PERMIT TO:

Drill

 Deepen

 Re-enter

 Recomplete and Operate

Date Received:
02/12/2015

| | |
|---|------------------------------------|
| TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____ | Refilling <input type="checkbox"/> |
| ZONE TYPE SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/> | Sidetrack <input type="checkbox"/> |

| | |
|---|-------------------------------------|
| Well Name: <u>RESOLUTION FED</u> | Well Number: <u>12-65-29-20-6NH</u> |
| Name of Operator: <u>ANADARKO E&P ONSHORE LLC</u> | COGCC Operator Number: <u>2800</u> |
| Address: <u>PO BOX 173779</u> | |
| City: <u>DENVER</u> | State: <u>CO</u> |
| | Zip: <u>80217-3779</u> |
| Contact Name: <u>CINDY HUR VUE</u> | Phone: <u>(720)929-6832</u> |
| | Fax: <u>(720)929-7832</u> |
| Email: <u>CINDY.HURVUE@ANADARKO.COM</u> | |

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20030041

WELL LOCATION INFORMATION

QtrQtr: SESE Sec: 29 Twp: 12N Rng: 65W Meridian: 6

Latitude: 40.971779 Longitude: -104.679640

Footage at Surface: 350 feet ^{FNL/FSL} FSL 935 feet ^{FEL/FWL} FEL

Field Name: WILDCAT Field Number: 99999

Ground Elevation: 5971 County: WELD

GPS Data:

Date of Measurement: 12/10/2014 PDOP Reading: 1.2 Instrument Operator's Name: CHRIS KASCHMITTER

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>601</u> <u>FSL</u> <u>1191</u> <u>FEL</u> | | <u>221</u> <u>FNL</u> <u>1270</u> <u>FEL</u> | | |
| | Sec: <u>29</u> Twp: <u>12N</u> Rng: <u>65W</u> | | Sec: <u>20</u> Twp: <u>12N</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: Bond

Surface damage assurance if no agreement is in place: Blanket Surface Surety ID: 20030042

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.)

Township 12 North, Range 65 West, 6th P.M.
Section 20: S2S2; Section 30: Lot W2NW, NENE, SENW
Weld County, Colorado

Total Acres in Described Lease: 316 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # COC69691

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

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 4149 Feet
Building Unit: 4292 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 342 Feet
Above Ground Utility: 317 Feet
Railroad: 5280 Feet
Property Line: 350 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: 1344 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 600 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

T12N-R65W section 17: Lots 1-4, section 20: All, section 29: all

Docket 150400201 pending April hearing.

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 | 535-663 | 1343 | S. 17, 20, 29 |

DRILLING PROGRAM

Proposed Total Measured Depth: 18484 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 578 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? 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 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? Yes

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 | 20 | 16 | 42 | 0 | 90 | 60 | 90 | 0 |
| SURF | 12+1/4 | 9+5/8 | 36 | 0 | 2324 | 610 | 2324 | 0 |
| 1ST | 8+3/4 | 7 | 26 | 0 | 9053 | 1050 | 9053 | 0 |
| 1ST LINER | 6+1/8 | 4+1/2 | 11.6 | 8153 | 18484 | 870 | 18484 | 8153 |

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 fluids disposal: APC will reuse water-based drilling fluids to the maximum extent possible, at which point they will either be land applied or taken to a licensed, commercial disposal site; the decision will be based upon laboratory analysis of fluids.

APC will reuse oil-based drilling fluids to the maximum extent possible, at which point they will be returned to the fluids manufacturer for reconditioning or disposal at a licensed, commercial disposal site.

Right to construct and Surface Use Agreement currently under negotiation with surface owner. Currently have a staking waiver. Using blanket bond for right to construct at time of permit submission.

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: CINDY HUR VUE _____

Title: REGULATORY ANALYST II Date: 2/12/2015 Email: CINDY.HURVUE@ANADARK _____

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: 6/13/2015

Expiration Date: 06/12/2017

API NUMBER

05 123 41620 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.

COA Type

Description

- 1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 2) Comply with Rule 317.j and provide cement coverage from end of 7" casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Best Management Practices

| No | <u>BMP/COA Type</u> | <u>Description</u> |
|----|--------------------------------|--|
| 1 | Planning | The nearest building unit is located 4292' away from this oil and gas location, therefore it is not within a Designated Setback Location and is exempt from 604.c. |
| 2 | Drilling/Completion Operations | 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 clearly state "No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run. |

Total: 2 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|------------------------|
| 400787309 | FORM 2 SUBMITTED |
| 400789782 | DIRECTIONAL DATA |
| 400789784 | DEVIATED DRILLING PLAN |
| 400789785 | WELL LOCATION PLAT |
| 400789786 | WASTE MANAGEMENT PLAN |

Total Attach: 5 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|---|-----------------------|
| Permit | Final Review Completed. No LGD or public comment received. | 3/9/2015 2:58:19 PM |
| Permit | IN PROCESS – Spacing Order approved. | 3/2/2015 8:29:38 AM |
| Engineer | Evaluated offset wells. Distance to nearest permitted or existing well penetrating objective formation >150' | 5/26/2015 1:35:45 PM |
| Permit | Operator revised distance to wellbore in formation from 601' to 1344'. Previous distance was measured to wellbore on the same pad that operator has stated will no longer be submitted. Operator corrected open hole logging BMP. | 4/6/2015 2:43:26 PM |
| Permit | ON HOLD - Docket 150400201 pending April hearing. | 3/17/2015 10:32:36 AM |
| Permit | -Distance from completed portion of wellbore to nearest wellbore permitted or completed in the same formation is measured to Niobrara well on the same pad, permit has not yet been submitted. Logging BMP does not meet requirements of Rule 317.p guidance document. Contacted operator to revise BMP. | 3/17/2015 10:28:59 AM |
| Permit | Passed completeness. | 2/25/2015 8:58:26 AM |
| Permit | Missing open hole logging BMP or 317.p. exception request. Return to draft. | 2/17/2015 12:32:39 PM |

Total: 8 comment(s)