

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF THE APPLICATION OF
HIGHPOINT OPERATING CORPORATION
(OPERATOR NO. 10071) FOR AN ORDER TO
DENY UPLAND EXPLORATION, LLC'S
(OPERATOR NO. 10701) SEVEN (7) FORM 2
APPLICATIONS FOR PERMITS TO DRILL
CERTAIN NAMED LITTLE LADY WELLS IN
SECTION 22, TOWNSHIP 11 NORTH, RANGE
64 WEST, 6TH P.M., WILDCAT FIELD, WELD
COUNTY, COLORADO BASED ON RULE
503.b.(10) AND THE COLORADO OIL AND GAS
CONSERVATION ACT

CAUSE NO.

DOCKET NO.

TYPE:

APPLICATION

COMES NOW Highpoint Operating Corporation (Operator No. 10071) ("Highpoint" or "Applicant"), by its attorneys, Jost Energy Law, P.C., and makes this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") pursuant to Commission Rule 503.b.(10) and the Colorado Oil and Gas Conservation Act, C.R.S. 34-60-101, *et seq.*, for an order to deny Upland Exploration, LLC's ("Upland") seven (7) Form 2 Applications for Permits to Drill ("APDs") for the Little Lady 22-1NH well (Document No. 401700339), the Little Lady 22-2CH well (Document No. 401700653), the Little Lady 22-3NH well (Document No. 401700884), the Little Lady 22-4CH well (Document No. 401701056), the Little Lady 22-5NH well (Document No. 401701112), the Little Lady 22-6CH well (Document No. 401700835), and the Little Lady 22-7NH well (Document No. 401700576) (collectively, the "Little Lady Wells" or "Little Lady APDs") located in Section 22, Township 11 North, Range 64 West, 6th P.M., Wildcat Field, Weld County, Colorado. In support thereof, Applicant states and alleges as follows:

A. Factual and Procedural Background

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and is a registered operator in good standing with the Commission.

2. Applicant owns substantial leasehold interests or holds the right to drill and/or operate on the following lands (hereafter "Subject Lands"):

Township 11 North, Range 64 West, 6th P.M.
Section 22: ALL
Section 27: ALL

1,280 acres, more or less, Weld County, Colorado.

3. On May 31, 2018, Applicant filed an application (Docket No. 180700572) for an order from the Commission to:

a. Vacate the approximate 640-acre drilling and spacing unit established by Order No. 421-3 for Section 22, Township 11 North, Range 64 West, 6th P.M. for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;

b. Establish an approximate 1,280-acre drilling and spacing unit (the "DSU" or "Highpoint's Proposed DSU") for the above-referenced Subject Lands and allow up to sixteen (16) new horizontal wells in the unit in order to efficiently and economically develop and operate the Codell, Carlile, Fort Hays and Niobrara Formations in the unit;

b. Provide that the productive interval of each proposed horizontal well shall be no closer than 150 feet from the boundaries of the unit for the Niobrara and Fort Hays Formations and no closer than 300 feet from the boundaries of the unit for the Codell and Carlile Formations; and all horizontal wells shall be no closer than 150 feet from the treated interval of another well producing from the same supply within the unit, unless an exception is granted by the Director; and

c. Find that the approximate 1,280-acre drilling and spacing unit for the development and operation of the oil, gas, and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations underlying the Subject Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Codell, Carlile, Fort Hays and Niobrara Formations for the Subject Lands. *See Exhibit 1, Highpoint's Application dated May 31, 2018, attached hereto and incorporated by reference herein.*

4. Highpoint owns leasehold mineral interests in the Highpoint Proposed DSU.

5. Upon information and belief, Upland owns leasehold mineral interests in the Highpoint Proposed DSU.

6. Highpoint has been pursuing substantial development plans to drill, complete and operate up to sixteen (16) horizontal wells for the development and operation of the Codell, Carlile, Fort Hays and Niobrara Formations in the Highpoint Proposed DSU.

7. On or about July 12, 2018, over one month after the filing of Highpoint's Proposed DSU, Upland filed the seven (7) Little Lady APD's with the Commission which propose to produce from Section 22, Township 11 North, Range 64 West for the Niobrara and Codell Formations. As of the date of this filing, Upland has not filed a Form 2A corresponding to the Little Lady APD's. The Little Lady APD's were filed with *express and full* knowledge that Highpoint was seeking to vacate the underlying 640-acre drilling and spacing unit for Section 22 as well as full knowledge that Highpoint planned to develop the Highpoint Proposed DSU on a two-mile lateral basis. *See Exhibit 2, Upland's Form 2's for the Little Lady APD's dated July 12, 2018, attached hereto and incorporated by*

reference herein. See also Exhibit 3, COGIS Map of Upland and surrounding wells, attached hereto and incorporated by reference herein.

8. On or about July 13, 2018, Upland protested Highpoint's Proposed DSU Application alleging that Upland has development plans for the W½ of Section 22, Township 11 North, Range 64 West. See Exhibit 4, Upland's Protest to Docket No. 180700572. Upland's position taken in its unsupported protest is entirely contradictory to its recent actions whereby Upland participated in and supported the development Highpoint's two-mile laterals within the vicinity of the Subject Lands. Further, Upland has completely ignored the fact that Highpoint and other operators have produced, and have permitted, two-mile lateral wells on lands directly adjacent to, or within the vicinity of, the Subject Lands and the Little Lady APD filings are nothing more than an obstructionist tactic that should not be allowed.

9. If the Little Lady APDs are approved, such approval will adversely affect and aggrieve Highpoint, will result in the irreparable interference with Highpoint's sixteen (16) planned wells within the Highpoint Proposed DSU, causing inefficient development and operation of the Codell and Niobrara Formations resulting in waste and potential harm to correlative rights. The Commission should not countenance abuse of its APD permitting process as an obstruction tactic.

B. Approval of Upland's Little Lady APDs Have and Will Continued to Directly and Adversely Affect and Aggrieve Highpoint.

10. Highpoint submits this Application to the Commission pursuant to Commission Rule 503.b.(10) which provides:

"(10) For purposes of seeking relief or a ruling from the Commission on any other matter not described in (1) through (9) above, only persons who can demonstrate that they are directly and adversely affected or aggrieved by the conduct of oil and gas operations or an order of the Commission and that their interest is entitled to legal protection under the Act may be an applicant." See COGCC Rule 503.b.(10).

11. Highpoint further submits this Application in accordance with the direct guidance of the COGCC Hearings Staff who informed multiple practitioners on August 15, 2018 that the subject application is the procedural way to proceed with challenges to operator's APDs. While unrelated to this Application, Highpoint and its predecessor Bill Barrett Corporation have been engaged in a series of contested matters surrounding operator APD challenges and the COGCC Director and Hearings Staff have not yet allowed Highpoint to pursue such matters with the full Commission, in violation of the Oil and Gas Conservation Act and Highpoint's due process rights. As such, Highpoint is proceeding on the COGCC Hearing Staff's direct guidance with the filing of this Application.

12. Further, the COGCC Director and Staff informed multiple practitioners on August 15, 2018 that once an APD passes completeness then it is a decision by the Staff that it complies with the Act and can be approved. As such, that initial decision can be the trigger for the immediate direct and adverse effect and harm to another operator's development plans and can serve as the basis for this Application.

13. As a leasehold interest Owner in the Subject Lands within the Highpoint Proposed DSU, and Applicant in Docket No. 180800572, Highpoint is an interest that is entitled to legal protection under the Colorado Oil and Gas Conservation Act. See *COGCC 100 Series Rules, Definition of Owner, and COGCC Rule 503.b.(10)*.

14. Based on the facts set forth above, Highpoint is a proper Applicant under Rule 503.b(10).

15. Based on the facts set forth above, approval of any of the Little Lady APDs will directly and adversely affect and aggrieve Highpoint, as well as the mineral interest owners of Highpoint's leasehold. Highpoint, and its leasehold mineral interest owners, will be substantially affected and aggrieved by the approval of the Little Lady APDs due to the known and intentional irreparable interference with Highpoint's planned development of the proposed DSU, which was filed prior to the submission of Upland's APDs.

C. Approval of Upland's Little Lady APDs Will Cause Waste in Violation of the Colorado Oil and Gas Conservation Act.

16. C.R.S. 34-60-107 provides specifically that "[t]he waste of oil and gas in the state of Colorado is prohibited by this article. See *C.R.S. 34-60-107*.

17. C.R.S. 34-60-103 (13) defines waste as follows:

(13) "Waste", in addition to the meanings as set forth in subsections (11) and (12) of this section, means:

(a) *Physical waste, as that term is generally understood in the oil and gas industry;*

(b) *The locating, spacing, drilling, equipping, operating, or producing of any oil or gas well or wells in a manner which causes or tends to cause reduction in quantity of oil or gas ultimately recoverable from a pool under prudent and proper operations or which causes or tends to cause unnecessary or excessive surface loss or destruction of oil or gas;*

(c) *Abuse of the correlative rights of any owner in a pool due to nonuniform, disproportionate, unratable, or excessive withdrawals of oil or gas therefrom, causing reasonably avoidable drainage*

between tracts of land or resulting in one or more producers or owners in such pool producing more than his equitable share of the oil or gas from such pool.

C.R.S. 34-60-103(11), (12) and (13)(emphasis added).

18. C.R.S. 34-60-117(a) provides that the “authority to prevent waste and protect correlative rights of all owners in every field or pool, and when necessary shall limit the production of oil and gas in any field or pool in the exercise of this authority.” C.R.S. § 34-60-117(a).

19. If approval of the Little Lady APDs, and the subsequent drilling of such APDs, are granted by the Commission, then such approval will be in direct violation of the Colorado Oil and Gas Conservation Act C.R.S. 34-60-107 and 34-60-117(a). In fact, even the initial determination by the Commission Staff that the Little Lady APD’s can pass completeness is in direct contravention of the Oil and Gas Conservation Act because such determination would immediately confirm that waste will occur on the Subject Lands. This Commission should allow Highpoint the opportunity to present evidence and testimony that the Commission Staff’s determination of completeness of the APDs violates the Act.

20. The approval of the Little Lady APDs and subsequent drilling of the Little Lady Wells will cause significant physical waste and waste of hydrocarbon resources in violation of the Colorado Oil and Gas Conservation Act. Highpoint has very specific development plans for the Highpoint DSU Lands that cover the locations of the Little Lady APDs. Highpoint has been working with the surface and mineral interest owners for the development of the Highpoint DSU Lands for a period of time. Highpoint’s engineering and geological data present configurations that would lead to more resources being developed and more predictable drainage in the Application Lands. This data is clearly set forth in Highpoint’s 511 testimony submitted in support of this Application and, upon which, this Commission has granted Highpoint numerous other similar drilling and spacing units for the development of two-mile laterals. Highpoint maintains that its development plan for a 1,280 drilling and spacing unit, with more wells of longer lateral length, will serve to ensure that the mandates of the Oil and Gas Conservation Act, as set forth above, are carried out as Highpoint’s development of the lands occurs.

21. The wellbore and bottomhole locations of the Little Lady Wells within Highpoint’s Proposed DSU will materially impede and interfere with the development and operation of Highpoint’s planned horizontal wellbores from Highpoint’s surface location in the Subject Lands.

22. Highpoint maintains that approval of the Little Lady APDs will create waste. This waste can be avoided if the Commission denies the Little Lady APDs and allows Highpoint to proceed with the comprehensive development and operational plan set forth above to drill and complete up to sixteen (16) wells in the Highpoint Proposed DSU.

23. Highpoint maintains that any approval of the Little Lady APDs, at any point in the permitting process, also violates Highpoint's interests and directly and adversely affects Highpoint, and is also in violation of C.R.S. 34-60-107.

D. Approval of Upland's Little Lady APDs Violates Highpoint's Correlative Rights in Violation of the Colorado Oil and Gas Conservation Act.

24. Highpoint further maintains that the issuance of the Little Lady APDs violates Highpoint's correlative rights as to its interests and ability to produce hydrocarbons from the Subject Lands and Highpoint Proposed DSU.

25. C.R.S. § 34-60-103(4) defines "correlative rights" to mean "that each owner and producer in a common pool or source of supply of oil and gas shall have an equal opportunity to obtain and produce his just and equitable share of the oil and gas underlying such pool or source of supply."

26. Highpoint, as a leasehold interest owner in the Highpoint Proposed DSU, has the right to drill and produce from the Subject Lands and the Highpoint Proposed DSU. Highpoint has its own long-term comprehensive development plan, which Upland has actual knowledge of, to develop and operate its leasehold interests in the Codell, Carlile, Fort Hays and Niobrara Formations on the Subject Lands and has made substantial investments in determining the geology of the area and developing engineering plans to access and efficiently and economically develop the hydrocarbons.

27. Any approval of the Little Lady APDs will violate Highpoint's correlative rights.

E. Conclusion.

28. This Commission should not approve the Little Lady APDs as any approval will result in an irreparable violation of the Oil and Gas Conservation Act as set forth above. Upland's filing of the seven (7) Little Lady APDs will interfere with Highpoint's plan of up to sixteen (16) horizontal wells as set forth in Docket No. 180700574. Further such filings, and the Commission Staff's completeness determination on the Little Lady APDs, will cause (and has already caused) direct harm to Highpoint, will result in waste, and damage to correlative rights by allowing inefficient and uneconomic development of the hydrocarbon pool underlying the Subject Lands and Highpoint's Proposed DSU.

29. Applicant certifies that copies of this Application will be served on Upland within seven (7) days of the date hereof, as required by Rule 503.e.

30. Based on the foregoing facts and claims set forth herein, Highpoint respectfully requests that, in order to prevent waste, to protect correlative rights, to prevent an express violation of the Colorado Oil and Gas Conservation Act and to prevent direct and adverse effects on Highpoint and the development of the Highpoint Proposed

DSU in Docket No. 180700572, this Commission issue an order denying the Upland Little Lady APDs.

WHEREFORE, based on the foregoing, Applicant respectfully requests that this matter be set for hearing in October 2018, that notice be given as required by law, and that upon such hearing, the Commission enter its order to:

- A. Deny Upland's seven (7) Little Lady APDs;
- B. Allow for a full Commission hearing on this Application; and
- C. For such other findings and orders as the Commission may deem proper or advisable in this matter.

Dated: August 30, 2018.

Respectfully submitted:

HIGHPOINT OPERATING CORPORATION


By: 

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Kenneth A. Wonstolen
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Highpoint Operating Corporation

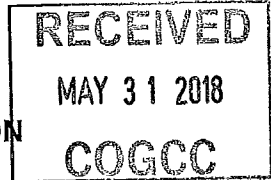
Applicant's Address:
Highpoint Operating Corporation
ATTN: Teale Stone
1099 18th Street, Suite 2300
Denver, CO 80202

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)


Name: Gabriel Findlay
Title: Land Manager - Operations
Highpoint Operating Corporation


Notary Public

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**



IN THE MATTER OF THE APPLICATION OF
HIGHPOINT OPERATING CORPORATION
FOR AN ORDER TO VACATE THE 640-ACRE
UNIT ESTABLISHED BY ORDER NO. 421-3
FOR SECTION 22, TOWNSHIP 11 NORTH,
RANGE 64 WEST, 6TH P.M., ESTABLISH AN
APPROXIMATE 1,280-ACRE DRILLING AND
SPACING UNIT FOR SECTIONS 22 AND 27,
TOWNSHIP 11 NORTH, RANGE 64 WEST, 6TH
P.M., APPROVE UP TO SIXTEEN (16) NEW
HORIZONTAL WELLS WITHIN THE UNIT, AND
APPROVE REDUCED BOUNDARY
SETBACKS OF 150 FEET FOR THE
NIOBRARA AND FORT HAYS FORMATIONS,
AND 300 FEET FOR THE CODELL AND
CARLILE FORMATIONS, FOR THE
PRODUCTION OF OIL, GAS AND
ASSOCIATED HYDROCARBONS FROM THE
CODELL, CARLILE, FORT HAYS AND
NIOBRARA FORMATIONS, HEREFORD
FIELD, WELD COUNTY, COLORADO

CAUSE NO. 421

DOCKET NO. 180700 572

TYPE: SPACING

Received

JUN 05 2018

Jost Energy Law, P.C.

APPLICATION

HighPoint Operating Corporation (Operator No. 10071) ("HighPoint" or "Applicant"), by and through its attorneys, Jost Energy Law, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to: 1) vacate the approximate 640-acre drilling and spacing unit established by Order No. 421-3 for Section 22, Township 11 North, Range 64 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; 2) establish an approximate 1,280-acre drilling and spacing unit for Sections 22 and 27, Township 11 North, Range 64 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations; 3) approve up to sixteen (16) new horizontal wells in the approximate 1,280-acre unit; and 4) provide that the productive interval of any horizontal well in the unit shall be no closer than 150 feet from the boundaries of the unit for the Niobrara and Fort Hays Formations and no closer than 300 feet from the unit boundaries for the Codell and Carlile Formations, with 150' inter-well setbacks from any wellbore within the unit, for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations underlying the below-described lands. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly organized and authorized to conduct business in the State of Colorado, and is a registered operator in good standing with the Commission.

2. Applicant is an Owner as defined by the Colorado Oil and Gas Conservation Act and Commission Rules and owns leasehold interests or holds the right to operate on the following lands (hereafter "Application Lands"):

Township 11 North, Range 64 West, 6th P.M.

Section 22: All

Section 27: All

Weld County, Colorado, 1,280-acres, more or less.

A reference map of the Application Lands is attached hereto.

3. Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that, on unspaced lands, wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply. Section 27, Township 11 North, Range 64 West, 6th P.M. is subject to this Rule for the Codell, Carlile, Fort Hays and Niobrara Formations. Section 22, Township 11 North, Range 64 West, 6th P.M. is subject to this Rule for the Codell, Carlile, and Fort Hays Formations.

4. On October 21, 2010, the Commission entered Order No. 421-3 which established eighty-three (83) approximate 640-acre drilling and spacing units for certain lands in Townships 10, 11, and 12 North, Ranges 61, 62, 63, and 64 West, 6th P.M. (more particularly described below), for the production of oil and gas and associated hydrocarbons from the Niobrara Formation, and allow one horizontal well in each of the units, with the horizontal leg and terminus of the wellbore located not closer than 600 feet from the boundaries of the unit. Section 22, Township 11 North, Range 64 West, 6th P.M. is subject to this Rule for the Niobrara Formation.

5. The Commission records show that there are no vertical, directional, or horizontal wells in the Application Lands.

6. To promote efficient drainage within the Codell, Carlile, Fort Hays and Niobrara Formations of the Application Lands, to protect correlative rights and to avoid waste, the Commission should: 1) vacate an approximate 640-acre drilling and spacing unit established by Order No. 421-3 for Section 22, Township 11 North, Range 64 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; 2) establish an approximate 1,280-acre stand-up drilling and spacing unit for Sections 22 and 27, Township 11 North, Range 64 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations; 3) approve up to sixteen (16) new horizontal wells in the approximate 1,280-

acre unit, for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations; and 4) provide that the productive interval of any horizontal well in the unit shall be no closer than 150 feet from the boundaries of the unit for the Niobrara and Fort Hays Formations and no closer than 300 feet from the unit boundaries for the Codell and Carlile Formations, with 150' inter-well setbacks from any wellbore within the unit, for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations underlying the Application Lands.

7. The above-proposed drilling and spacing unit will allow efficient drainage of the Codell, Carlile Fort Hays and Niobrara Formations, will prevent waste, will not adversely affect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs. The unit of the size and shape specified above is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in the unit.

8. The Applicant is requesting to drill and complete up to sixteen (16) new horizontal wells within the unit in order to efficiently and economically recover the oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations within the approximate 1,280-acre drilling and spacing unit composed of the Application Lands and that there will be no adverse effect on correlative rights of adjacent owners.

9. The Applicant maintains that the wells proposed for the development of the Application Lands will be drilled from no more than four well pads, unless an exception is granted by the Director.

10. The productive interval of each proposed horizontal well shall be no closer than 150 feet from the boundaries of the unit for the Fort Hays and Niobrara Formations, and no closer than 300 feet from the boundaries of the unit for the Codell and Carlile Formations, and all horizontal wells shall be no closer than 150 feet from the productive interval of any other well within the unit, unless an exception is granted by the Director.

11. The undersigned certifies that copies of this Application will be served on each interested party within seven (7) days of the filing hereof, as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing on July 30-31, 2018, that notice be given as required by law, and that upon such hearing this Commission enter its order to:

A. Vacate the approximate 640-acre drilling and spacing unit established by Order No. 421-3 for Section 22, Township 11 North, Range 64 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; .

B. Establish an approximate 1,280-acre stand-up drilling and spacing unit for Sections 22 and 27, Township 11 North, Range 64 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations; and approve up to sixteen (16) new horizontal wells in the approximate

1,280-acre unit, for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations;

C. Provide that the productive interval of any horizontal well in the unit shall be no closer than 150 feet from the boundaries of the unit for the Niobrara and Fort Hays Formations and no closer than 300 feet from the unit boundaries for the Codell and Carlile Formations; and not less than 150 feet from the productive interval of any other wellbore within the unit, and authorizing a total of four well pads in the unit, unless an exception is granted by the Director;

D. Find that an approximate 1,280-acre drilling and spacing unit for the development of the Codell, Carlile, Fort Hays and Niobrara Formations on the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Codell, Carlile, Fort Hays and Niobrara Formations on the Application Lands.


F. For such other findings and orders as the Commission may deem proper or advisable in this matter.

DATED May 31, 2018.

Respectfully submitted:

HighPoint Operating Corporation

By: _____


Jamie L. Jost
Kelsey H. Wasylenky
Jost Energy Law, P.C.
Attorneys for Applicant
1401 17th Street, Suite 370
Denver, Colorado 80202
(720) 446-5620

Applicant's Address:
HighPoint Operating Corporation
ATTN: Bryce Doty
1099 18th Street, Suite 2300
Denver, CO 80202

VERIFICATION

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

Bryce Doty, of lawful age, being first duly sworn upon oath, deposes and says that he is a Landman for HighPoint Operating Corporation, and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.


Bryce Doty
Landman
HighPoint Operating Corporation

Subscribed and sworn to before me this 30th day of May, 2018.

Witness my hand and official seal.

[SEAL]

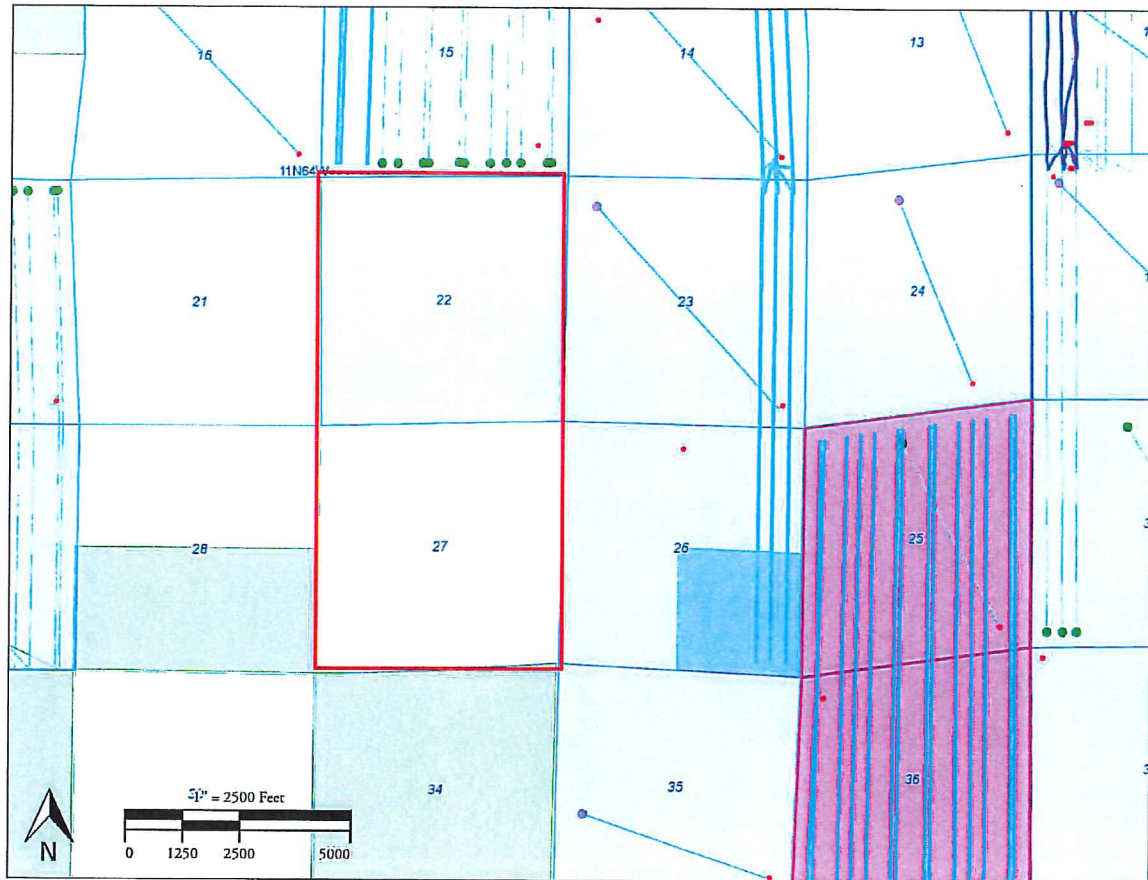


My commission expires: March 5, 2022

Ariella Paita
Notary Public

Reference Map

Sections 22 and 27, Township 11 North, Range 64 West, 6th P.M.



FORM

2

Rev
08/16

State of Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

401700339

APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

Date Received:

07/12/2018

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____Refiling ☐ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☐

Well Name: Little Lady

Well Number: 22-1NH

Name of Operator: UPLAND EXPLORATION LLC

COGCC Operator Number: 10701

Address: 424 S MAIN ST

City: BOERNE

State: TX

Zip: 78006

Contact Name: Larry Jenkins

Phone: (580)716-0535

Fax: ()

Email: larry@uplandexploration.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20180078

WELL LOCATION INFORMATION

QtrQtr: NENW Sec: 22 Twp: 11N Rng: 64W Meridian: 6

Latitude: 40.911850

Longitude: -104.532730

Footage at Surface: 645 Feet FNL/FSL FNL 2460 Feet FEL/FWL

Field Name: WILDCAT

Field Number: 99999

Ground Elevation: 5417

County: WELD

GPS Data:

Date of Measurement: 07/02/2018 PDOP Reading: 1.3 Instrument Operator's Name: Kyle Daley

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

330 FNL 330 FWL 330 FSL 330 FWL

Sec: 22 Twp: 11N Rng: 64W Sec: 22 Twp: 11N Rng: 64W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCTSurface Ownership: ☒ Fee ☐ State ☐ Federal ☐ IndianThe 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: 20180077

FORM

2

Rev
08/16

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109

Document Number:

401700653

APPLICATION FOR PERMIT TO:

☒ Drill
 ☐ Deepen
 ☐ Re-enter
 ☐ Recomplete and Operate

Date Received:

07/12/2018

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____Refiling ☐ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☐

Well Name: Little Lady

Well Number: 22-2CH

Name of Operator: UPLAND EXPLORATION LLC

COGCC Operator Number: 10701

Address: 424 S MAIN ST

City: BOERNE

State: TX

Zip: 78006

Contact Name: Larry Jenkins

Phone: (580)716-0535

Fax: ()

Email: larry@uplandexploration.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20180078

WELL LOCATION INFORMATION

QtrQtr: NENW Sec: 22 Twp: 11N Rng: 64W Meridian: 6

Latitude: 40.911930

Longitude: -104.532730

Footage at Surface: 615 Feet FNL/FSL FNL 2460 Feet FEL/FWL

Field Name: WILDCAT

Field Number: 99999

Ground Elevation: 5419

County: WELD

GPS Data:

Date of Measurement: 07/02/2018 PDOP Reading: 1.3 Instrument Operator's Name: Kyle Daley

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

330 FNL 660 FWL 330 FSL 660 FWL

Sec: 22 Twp: 11N Rng: 64W Sec: 22 Twp: 11N Rng: 64W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ IndianThe 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: 20180077

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.)

T11N R64W Sec. 22: W2

Total Acres in Described Lease: 640 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: 330 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1253 Feet
Building Unit: 1443 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 602 Feet
Above Ground Utility: 576 Feet
Railroad: 5280 Feet
Property Line: 239 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: 660 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 330 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Upland is protesting the HighPoint application (temp. docket # 180700572) and will file a 320-acre drilling and spacing unit application covering seven lease wells. This proposed Drilling and Spacing Unit will cover T11N R64W Sec. 22: W2.

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CODELL	CODL		320	S.22 T11N R64W: W2

DRILLING PROGRAM

Proposed Total Measured Depth: 13265 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: 667 Feet ☐ No well belonging to another operator within 1,500 feet

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?

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	13+1/2	9+5/8	36	0	1500	786	1500	0
1ST	8+3/4	5+1/2	20	0	13265	1725	13265	

☒ 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 Distance from completed portion of the wellbore to nearest wellbore permitted or completed in the same formation was measured to the permitted Little Lady 22-4CH owned by Upland Exploration Inc. using vertical.

Distance to nearest permitted or existing wellbore belonging to another operator was measured to the permitted Salt Ranch Fee 506-1015H, API No. 05-123-47137, operated by CCRP Operating Inc.

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: Kimberly Rodell _____

Title: Permit Agent _____ Date: 7/12/2018 _____ Email: krodell@upstreampm.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: _____

API NUMBER

05

Expiration Date: _____

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

--	--

Best Management Practices

No	BMP/COA Type	Description
1	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.
2	Drilling/Completion Operations	Anti-Collision: Upland will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice will be given to all offset operators within 150 feet prior to drilling.

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

Att Doc Num	Name
401700653	FORM 2 SUBMITTED
401700776	OffsetWellEvaluations Data
401700782	DEVIATED DRILLING PLAN
401700784	WELL LOCATION PLAT
401700857	DIRECTIONAL DATA

Total Attach: 5 Files

General Comments

User Group	Comment	Comment Date
Permit	Passed Completeness.	07/17/2018

Total: 1 comment(s)

Public Comments

The following comments were provided by members of the public and were considered during the technical review of this application.

No. Comment	Comment Date
<p>1 TO: John Noto, COGCC Oil and Gas Location Assessment Supervisor</p> <p>Email: john.noto@state.co.us</p> <p>Doug Andrews, COGCC OGLA Northeast Location Specialist</p> <p>Email: doug.andrews@state.co.us</p> <p>FR: Matt Sura, Attorney at Law</p> <p>DT: 8/6/2018</p> <p>RE: Comment on Form 2s: Little Lady 22-7NH, Little Lady 22-2CH, Little Lady 22-6CH, Little Lady 22-3NH, Little Lady 22-4CH, Little Lady 22-5NH, Little Lady 22-1NH</p> <p>Dear COGCC,</p> <p>These comments are being made on behalf of the Surface Owner, Gerald Richardson. Mr. Richardson opposes the proposed oil and gas development on his property located on W/2 Section 22 Township 11N, Range 64W in Weld County, Colorado. Please accept this comment for all seven proposed Form 2s (Applications for Permit to Drill – “APDs”) listed above.</p> <p>Mr. Richardson urges the COGCC to deny the location for the following reasons:</p> <p>1)The Operator, Upland Exploration, does not have a surface use agreement with Mr. Richardson.</p> <p>2)Upland Exploration has failed to consult with Mr. Richardson in good faith regarding the location of wells, facilities, roads, and flowlines, as required by Commission Rule 306.a.</p> <p>3)Upland Resources is proposing oil and gas development from a location that will result in waste and is in conflict with a spacing application that is on file with the COGCC: Docket No. 180700572.</p> <p>4)Upland Exploration lacks legal authority to drill from the location proposed in this pending application. The accommodation doctrine limits Upland Exploration’s use of the surface to that which is reasonable and necessary. C.R.S. 34-60-127(c). As proposed, Upland Exploration seeks unnecessary surface locations.</p> <p>According to COGCC public records, the Operator has not proposed a Form 2A location assessment for the surface location. The Surface Owner respectfully requests that staff review of the Little Lady wells be delayed until the Form 2A has been submitted and is deemed complete.</p> <p>Furthermore, Mr. Richardson requests that the undersigned be immediately notified of any decision on these applications so he may consider a request for a hearing on this application pursuant to COGCC Rule 503.b.(7)C. In the event he is not notified of an approval of these APDs, please accept this comment letter as a formal and timely request for a hearing on the applications.</p> <p>Thank you for your assistance in this matter.</p> <p>Sincerely,</p> <p>Matt Sura</p>	<p>08/06/2018</p>

Total: 1 comment(s)

FORM

2

Rev
08/16

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109

Document Number:

401700884

APPLICATION FOR PERMIT TO:

☒ Drill
 ☐ Deepen
 ☐ Re-enter
 ☐ Recomplete and Operate

Date Received:

07/12/2018

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____Refiling ☐ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☐Well Name: Little LadyWell Number: 22-3NHName of Operator: UPLAND EXPLORATION LLCCOGCC Operator Number: 10701Address: 424 S MAIN STCity: BOERNEState: TXZip: 78006Contact Name: Larry JenkinsPhone: (580)716-0535Fax: ()Email: larry@uplandexploration.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20180078

WELL LOCATION INFORMATION

QtrQtr: NENW Sec: 22 Twp: 11N Rng: 64W Meridian: 6Latitude: 40.912020Longitude: -104.532730
 Footage at Surface: 585 Feet FNL 2460 Feet FWL
Field Name: WILDCATField Number: 99999Ground Elevation: 5421County: WELD

GPS Data:

Date of Measurement: 07/02/2018 PDOP Reading: 1.2 Instrument Operator's Name: Kyle DaleyIf 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

330 FNL 990 FWL 330 FSL 990 FWL

 Sec: 22 Twp: 11N Rng: 64W Sec: 22 Twp: 11N Rng: 64W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ IndianThe 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 ☐ IndianThe Minerals beneath this Oil and Gas Location will be developed by this Well: YesThe right to construct the Oil and Gas Location is granted by: BondSurface damage assurance if no agreement is in place: BlanketSurface Surety ID: 20180077

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.)

T11N R64W SEC. 22: W2

Total Acres in Described Lease: 640 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: 330 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1247 Feet

Building Unit: 1435 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 572 Feet

Above Ground Utility: 546 Feet

Railroad: 5280 Feet

Property Line: 239 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: 660 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 330 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Upland is protesting the HighPoint application (temp. docket # 180700572) and will file a 320-acre drilling and spacing unit application covering seven lease wells. This proposed Drilling and Spacing Unit will cover T11N R64W Sec. 22: W2.

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	S.22 T11N R64W: W2

DRILLING PROGRAM

Proposed Total Measured Depth: 12951 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: 631 Feet ☐ No well belonging to another operator within 1,500 feet

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?

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	13+1/2	9+5/8	36	0	1500	786	1500	0
1ST	8+3/4	5+1/2	20	0	12951	1677	12951	

☒ 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 Distance from completed portion of the wellbore to nearest wellbore permitted or completed in the same formation was measured to the permitted Little Lady 22-5NH owned by Upland Exploration Inc. using vertical.

Distance to nearest permitted or existing wellbore belonging to another operator was measured to the permitted Salt Ranch Fee 207-1015H, API No.05-123-47136, operated by CCRP Operating Inc.

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: Kimberly Rodell _____

Title: Permit Agent _____ Date: 7/12/2018 _____ Email: krodell@upstreampm.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: _____

API NUMBER

05

Expiration Date: _____

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

--	--

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Logging: 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.
2	Drilling/Completion Operations	Anti-Collision: Upland will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice will be given to all offset operators within 150 feet prior to drilling.

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>
401700884	FORM 2 SUBMITTED
401701003	OffsetWellEvaluations Data
401701047	DIRECTIONAL DATA
401701048	DEVIATED DRILLING PLAN
401701055	WELL LOCATION PLAT

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Passed Completeness.	07/17/2018

Total: 1 comment(s)

Public Comments

The following comments were provided by members of the public and were considered during the technical review of this application.

No.	Comment	Comment Date
1	<p>TO: John Noto, COGCC Oil and Gas Location Assessment Supervisor</p> <p>Email: john.noto@state.co.us</p> <p>Doug Andrews, COGCC OGLA Northeast Location Specialist</p> <p>Email: doug.andrews@state.co.us</p> <p>FR: Matt Sura, Attorney at Law</p> <p>DT: 8/6/2018</p> <p>RE: Comment on Form 2s: Little Lady 22-7NH, Little Lady 22-2CH, Little Lady 22-6CH, Little Lady 22-3NH, Little Lady 22-4CH, Little Lady 22-5NH, Little Lady 22-1NH</p> <p>Dear COGCC,</p> <p>These comments are being made on behalf of the Surface Owner, Gerald Richardson. Mr. Richardson opposes the proposed oil and gas development on his property located on W/2 Section 22 Township 11N, Range 64W in Weld County, Colorado. Please accept this comment for all seven proposed Form 2s (Applications for Permit to Drill – “APDs”) listed above.</p> <p>Mr. Richardson urges the COGCC to deny the location for the following reasons:</p> <p>1)The Operator, Upland Exploration, does not have a surface use agreement with Mr. Richardson.</p> <p>2)Upland Exploration has failed to consult with Mr. Richardson in good faith regarding the location of wells, facilities, roads, and flowlines, as required by Commission Rule 306.a.</p> <p>3)Upland Resources is proposing oil and gas development from a location that will result in waste and is in conflict with a spacing application that is on file with the COGCC: Docket No. 180700572.</p> <p>4)Upland Exploration lacks legal authority to drill from the location proposed in this pending application. The accommodation doctrine limits Upland Exploration’s use of the surface to that which is reasonable and necessary. C.R.S. 34-60-127(c). As proposed, Upland Exploration seeks unnecessary surface locations.</p> <p>According to COGCC public records, the Operator has not proposed a Form 2A location assessment for the surface location. The Surface Owner respectfully requests that staff review of the Little Lady wells be delayed until the Form 2A has been submitted and is deemed complete.</p> <p>Furthermore, Mr. Richardson requests that the undersigned be immediately notified of any decision on these applications so he may consider a request for a hearing on this application pursuant to COGCC Rule 503.b.(7)C. In the event he is not notified of an approval of these APDs, please accept this comment letter as a formal and timely request for a hearing on the applications.</p> <p>Thank you for your assistance in this matter.</p> <p>Sincerely,</p> <p>Matt Sura</p>	08/06/2018
Total: 1 comment(s)		

FORM
2
Rev
08/16

State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:
401701056

APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Date Received:
07/12/2018

Well Name: Little Lady

Well Number: 22-4CH

Name of Operator: UPLAND EXPLORATION LLC

COGCC Operator Number: 10701

Address: 424 S MAIN ST

City: BOERNE

State: TX

Zip: 78006

Contact Name: Keith Myers

Phone: (720)961-4926

Fax: ()

Email: kmyers@clearcreekrp.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20180078

WELL LOCATION INFORMATION

QtrQtr: NENW Sec: 22 Twp: 11N Rng: 64W Meridian: 6

Latitude: 40.912100

Longitude: -104.532730

Footage at Surface: 555

Feet

FNL/FSL

FNL

2460

Feet

FEL/FWL

FWL

Field Name: WILDCAT

Field Number: 99999

Ground Elevation: 5423

County: WELD

GPS Data:

Date of Measurement: 07/02/2018 PDOP Reading: 1.4 Instrument Operator's Name: Kyle Daley

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

330

FNL

1320

FWL

330

FSL

1320

FWL

Sec: 22

Twp: 11N

Rng: 64W

Sec: 22

Twp: 11N

Rng: 64W

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: 20180077

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.)

T11N R64W SEC. 22: W2

Total Acres in Described Lease: 640 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: 330 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1241 Feet
Building Unit: 1426 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 542 Feet
Above Ground Utility: 516 Feet
Railroad: 5280 Feet
Property Line: 239 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: 660 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 330 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Upland is protesting the HighPoint application (temp. docket # 180700572) and will file a 320-acre drilling and spacing unit application covering seven lease wells. This proposed Drilling and Spacing Unit will cover T11N R64W Sec. 22: W2.

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CODELL	CODL		320	S.22 T11N R64W: W2

DRILLING PROGRAM

Proposed Total Measured Depth: 13092 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: 630 Feet ☐ No well belonging to another operator within 1,500 feet

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?

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	13+1/2	9+5/8	36	0	1500	786	1500	0
1ST	8+3/4	5+1/2	20	0	13092	1698	13092	

☒ 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 Distance from completed portion of the wellbore to nearest wellbore permitted or completed in the same formation was measured to the permitted Little Lady 22-6CH owned by Upland Exploration Inc. using vertical.

Distance to nearest permitted or existing wellbore belonging to another operator was measured to the permitted Salt Ranch Fee 505-1015H, API No. 05-123-46480, operated by CCRP Operating Inc.

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: Kimberly Rodell

Title: Permit Agent Date: 7/12/2018 Email: krodell@upstreampm.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: _____

API NUMBER

05

Expiration Date: _____

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
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Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Logging: 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.
2	Drilling/Completion Operations	Anti-Collision: Upland will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice will be given to all offset operators within 150 feet prior to drilling.

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>
401701056	FORM 2 SUBMITTED
401701101	OffsetWellEvaluations Data
401701137	DIRECTIONAL DATA
401701138	DEVIATED DRILLING PLAN
401701140	WELL LOCATION PLAT

Total Attach: 5 Files


General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Passed Completeness.	07/17/2018

Total: 1 comment(s)

Public Comments

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

<div style="border: 1px solid black; padding: 2px;">FORM 2 <small>Rev 08/16</small></div>	<h2 style="margin: 0;">State of Colorado</h2> <h3 style="margin: 0;">Oil and Gas Conservation Commission</h3> <p style="margin: 0;">1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109</p>		<p>Document Number: 401701112</p> <p>Date Received: 07/12/2018</p>
APPLICATION FOR PERMIT TO:			
<div style="display: flex; justify-content: space-between;"><div><input checked="" type="checkbox"/> Drill <input type="checkbox"/> Deepen <input type="checkbox"/> Re-enter <input type="checkbox"/> Recomplete and Operate</div></div>			
TYPE OF WELL OIL <input checked="" type="checkbox"/> GAS <input 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>Little Lady</u>		Well Number: <u>22-5NH</u>	
Name of Operator: <u>UPLAND EXPLORATION LLC</u>		COGCC Operator Number: <u>10701</u>	
Address: <u>424 S MAIN ST</u>			
City: <u>BOERNE</u>		State: <u>TX</u>	Zip: <u>78006</u>
Contact Name: <u>Larry Jenkins</u>		Phone: <u>(580)716-0535</u>	Fax: <u>()</u>
Email: <u>larry@uplandexploration.com</u>			
RECLAMATION FINANCIAL ASSURANCE			
Plugging and Abandonment Bond Surety ID: <u>20180078</u>			
WELL LOCATION INFORMATION			
QtrQtr: <u>NENW</u> Sec: <u>22</u> Twp: <u>11N</u> Rng: <u>64W</u> Meridian: <u>6</u>			
Latitude: <u>40.912180</u> Longitude: <u>-104.532730</u>			
Footage at Surface: <u>525</u> Feet FNL <u>2461</u> Feet FWL			
Field Name: <u>WILDCAT</u>		Field Number: <u>99999</u>	
Ground Elevation: <u>5425</u>		County: <u>WELD</u>	
GPS Data:			
Date of Measurement: <u>07/02/2018</u> PDOP Reading: <u>1.4</u> Instrument Operator's Name: <u>Kyle Daley</u>			
If well is <input type="checkbox"/> Directional <input checked="" type="checkbox"/> Horizontal (highly deviated) submit deviated drilling plan.			
Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL			
<div style="display: flex; justify-content: space-around;"><div><u>330</u> FNL <u>1650</u> FWL</div><div><u>330</u> FSL <u>1650</u> FWL</div></div>			
Sec: <u>22</u> Twp: <u>11N</u> Rng: <u>64W</u> Sec: <u>22</u> Twp: <u>11N</u> Rng: <u>64W</u>			
LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT			
Surface Ownership: <input checked="" type="checkbox"/> Fee <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Indian			
The Surface Owner is: <input type="checkbox"/> is the mineral owner beneath the location.			
(check all that apply) <input type="checkbox"/> is committed to an Oil and Gas Lease.			
<input type="checkbox"/> has signed the Oil and Gas Lease.			
<input type="checkbox"/> is the applicant.			
The Mineral Owner beneath this Oil and Gas Location is: <input checked="" type="checkbox"/> Fee <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Indian			
The Minerals beneath this Oil and Gas Location will be developed by this Well: <u>Yes</u>			
The right to construct the Oil and Gas Location is granted by: <u>Bond</u>			
Surface damage assurance if no agreement is in place: <u>Blanket</u> Surface Surety ID: <u>20180077</u>			

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.)

T11N R64W Sec. 22: W2.

Total Acres in Described Lease: 640 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: 330 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1236 Feet
Building Unit: 1419 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 512 Feet
Above Ground Utility: 486 Feet
Railroad: 5280 Feet
Property Line: 239 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: 660 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 330 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Upland is protesting the HighPoint application (temp. docket # 180700572) and will file a 320-acre drilling and spacing unit application covering seven lease wells. This proposed Drilling and Spacing Unit will cover T11N R64W Sec. 22: W2.

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	S.22 T11N R64W: W2

DRILLING PROGRAM

Proposed Total Measured Depth: 12905 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: 631 Feet ☐ No well belonging to another operator within 1,500 feet

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?

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	13+1/2	9+5/8	36	0	1500	786	1500	0
1ST	8+3/4	5+1/2	20	0	12905	1670	12905	

☒ 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 Distance from completed portion of the wellbore to nearest wellbore permitted or completed in the same formation was measured to the permitted Little Lady 21-7NH owned by Upland Eploration, Inc. using vertical.

Distance to nearest permitted or existing wellbore belonging to another operator was measured to the permitted Salt Ranch Fee 206-1015H, API No. 05-123-46485, operated by CCRP Operating Inc.

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: Kim Rodell _____

Title: Permit Agent _____ Date: 7/12/2018 _____ Email: krodell@upstreampm.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: _____

API NUMBER

05

Expiration Date: _____

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

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Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Logging: 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.
2	Drilling/Completion Operations	Anti-Collision: Upland will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice will be given to all offset operators within 150 feet prior to drilling.

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>
401701112	FORM 2 SUBMITTED
401701142	OffsetWellEvaluations Data
401701170	DEVIATED DRILLING PLAN
401701172	WELL LOCATION PLAT
401701408	DIRECTIONAL DATA

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Passed Completeness.	07/17/2018

Total: 1 comment(s)

Public Comments

The following comments were provided by members of the public and were considered during the technical review of this application.

No.	Comment	Comment Date
1	<p>TO: John Noto, COGCC Oil and Gas Location Assessment Supervisor</p> <p>Email: john.noto@state.co.us</p> <p>Doug Andrews, COGCC OGLA Northeast Location Specialist</p> <p>Email: doug.andrews@state.co.us</p> <p>FR: Matt Sura, Attorney at Law</p> <p>DT: 8/6/2018</p> <p>RE: Comment on Form 2s: Little Lady 22-7NH, Little Lady 22-2CH, Little Lady 22-6CH, Little Lady 22-3NH, Little Lady 22-4CH, Little Lady 22-5NH, Little Lady 22-1NH</p> <p>Dear COGCC,</p> <p>These comments are being made on behalf of the Surface Owner, Gerald Richardson. Mr. Richardson opposes the proposed oil and gas development on his property located on W/2 Section 22 Township 11N, Range 64W in Weld County, Colorado. Please accept this comment for all seven proposed Form 2s (Applications for Permit to Drill – “APDs”) listed above.</p> <p>Mr. Richardson urges the COGCC to deny the location for the following reasons:</p> <p>1)The Operator, Upland Exploration, does not have a surface use agreement with Mr. Richardson.</p> <p>2)Upland Exploration has failed to consult with Mr. Richardson in good faith regarding the location of wells, facilities, roads, and flowlines, as required by Commission Rule 306.a.</p> <p>3)Upland Resources is proposing oil and gas development from a location that will result in waste and is in conflict with a spacing application that is on file with the COGCC: Docket No. 180700572.</p> <p>4)Upland Exploration lacks legal authority to drill from the location proposed in this pending application. The accommodation doctrine limits Upland Exploration’s use of the surface to that which is reasonable and necessary. C.R.S. 34-60-127(c). As proposed, Upland Exploration seeks unnecessary surface locations.</p> <p>According to COGCC public records, the Operator has not proposed a Form 2A location assessment for the surface location. The Surface Owner respectfully requests that staff review of the Little Lady wells be delayed until the Form 2A has been submitted and is deemed complete.</p> <p>Furthermore, Mr. Richardson requests that the undersigned be immediately notified of any decision on these applications so he may consider a request for a hearing on this application pursuant to COGCC Rule 503.b.(7)C. In the event he is not notified of an approval of these APDs, please accept this comment letter as a formal and timely request for a hearing on the applications.</p> <p>Thank you for your assistance in this matter.</p> <p>Sincerely,</p> <p>Matt Sura</p>	08/06/2018

Total: 1 comment(s)

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.)

T11N R64W Sec. 22: W2

Total Acres in Described Lease: 640 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: 330 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1260 Feet
Building Unit: 1452 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 632 Feet
Above Ground Utility: 606 Feet
Railroad: 5280 Feet
Property Line: 239 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: 660 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 330 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Upland is protesting the HighPoint application (temp. docket # 180700572) and will file a 320-acre drilling and spacing unit application covering seven lease wells. This proposed Drilling and Spacing Unit will cover T11N R64W Sec. 22: W2.

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	S.22 T11N R64W: W2

DRILLING PROGRAM

Proposed Total Measured Depth: 13163 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: 631 Feet ☐ No well belonging to another operator within 1,500 feet

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?

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	13+1/2	9+5/8	36	0	1500	786	1500	0
1ST	8+3/4	5+1/2	20	0	13163	1709	13163	

☒ 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 Distance from the completed portion of the wellbore to nearest wellbore permitted or completed in the same formation was measured to the permitted Little Lady 22-3NH owned by Upland Exploration Inc. using vertical.

Distance to nearest permitted or existing wellbore belonging to another operator was measured to the permitted Salt Ranch Fee 208-1015H, API No. 05-123-47132, operated by CCRP Operating Inc.

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: Kimberly Rodell

Title: Permit Agent Date: 7/12/2018 Email: krodell@upstreampm.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: _____

API NUMBER

05

Expiration Date: _____

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

--	--

Best Management Practices

No	BMP/COA Type	Description
1	Drilling/Completion Operations	Logging: 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.
2	Drilling/Completion Operations	Anti-Collision: Upland will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice will be given to all offset operators within 150 feet prior to drilling.

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

Att Doc Num	Name
401700339	FORM 2 SUBMITTED
401700460	WELL LOCATION PLAT
401700462	DEVIATED DRILLING PLAN
401700465	DIRECTIONAL DATA
401700622	OffsetWellEvaluations Data

Total Attach: 5 Files

General Comments

User Group	Comment	Comment Date
Permit	Passed Completeness.	07/17/2018

Total: 1 comment(s)

Public Comments

The following comments were provided by members of the public and were considered during the technical review of this application.

No.	Comment	Comment Date
1	<p>TO: John Noto, COGCC Oil and Gas Location Assessment Supervisor</p> <p>Email: john.noto@state.co.us</p> <p>Doug Andrews, COGCC OGLA Northeast Location Specialist</p> <p>Email: doug.andrews@state.co.us</p> <p>FR: Matt Sura, Attorney at Law</p> <p>DT: 8/6/2018</p> <p>RE: Comment on Form 2s: Little Lady 22-7NH, Little Lady 22-2CH, Little Lady 22-6CH, Little Lady 22-3NH, Little Lady 22-4CH, Little Lady 22-5NH, Little Lady 22-1NH</p> <p>Dear COGCC,</p> <p>These comments are being made on behalf of the Surface Owner, Gerald Richardson. Mr. Richardson opposes the proposed oil and gas development on his property located on W/2 Section 22 Township 11N, Range 64W in Weld County, Colorado. Please accept this comment for all seven proposed Form 2s (Applications for Permit to Drill – “APDs”) listed above.</p> <p>Mr. Richardson urges the COGCC to deny the location for the following reasons:</p> <p>1)The Operator, Upland Exploration, does not have a surface use agreement with Mr. Richardson.</p> <p>2)Upland Exploration has failed to consult with Mr. Richardson in good faith regarding the location of wells, facilities, roads, and flowlines, as required by Commission Rule 306.a.</p> <p>3)Upland Resources is proposing oil and gas development from a location that will result in waste and is in conflict with a spacing application that is on file with the COGCC: Docket No. 180700572.</p> <p>4)Upland Exploration lacks legal authority to drill from the location proposed in this pending application. The accommodation doctrine limits Upland Exploration’s use of the surface to that which is reasonable and necessary. C.R.S. 34-60-127(c). As proposed, Upland Exploration seeks unnecessary surface locations.</p> <p>According to COGCC public records, the Operator has not proposed a Form 2A location assessment for the surface location. The Surface Owner respectfully requests that staff review of the Little Lady wells be delayed until the Form 2A has been submitted and is deemed complete.</p> <p>Furthermore, Mr. Richardson requests that the undersigned be immediately notified of any decision on these applications so he may consider a request for a hearing on this application pursuant to COGCC Rule 503.b.(7)C. In the event he is not notified of an approval of these APDs, please accept this comment letter as a formal and timely request for a hearing on the applications.</p> <p>Thank you for your assistance in this matter.</p> <p>Sincerely,</p> <p>Matt Sura</p>	08/06/2018

Total: 1 comment(s)

FORM
2
Rev
08/16

State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

401700835

APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

Date Received:

07/12/2018

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Little Lady Well Number: 22-6CH
Name of Operator: UPLAND EXPLORATION LLC COGCC Operator Number: 10701
Address: 424 S MAIN ST
City: BOERNE State: TX Zip: 78006
Contact Name: Larry Jenkins Phone: (580)716-0535 Fax: ()
Email: larry@uplandexploration.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20180078

WELL LOCATION INFORMATION

QtrQtr: NENW Sec: 22 Twp: 11N Rng: 64W Meridian: 6
Latitude: 40.912260 Longitude: -104.532730
Footage at Surface: 495 Feet FNL/FSL 2461 Feet FEL/FWL
Field Name: WILDCAT Field Number: 99999
Ground Elevation: 5425 County: WELD
GPS Data:
Date of Measurement: 07/02/2018 PDOP Reading: 1.3 Instrument Operator's Name: Kyle Daley
If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**
Footage at Top of Prod Zone: FNL/FSL 330 FNL 1980 FWL 330 FSL 1980 FWL
Sec: 22 Twp: 11N Rng: 64W Sec: 22 Twp: 11N Rng: 64W

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: 20180077

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.)

Total Acres in Described Lease: 640 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: 330 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1232 Feet
Building Unit: 1412 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 482 Feet
Above Ground Utility: 456 Feet
Railroad: 5280 Feet
Property Line: 239 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: 660 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 330 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Upland is protesting the HighPoint application (temp. docket # 180700572) and will file a 320-acre drilling and spacing unit application covering seven lease wells. This proposed Drilling and Spacing Unit will cover T11N R64W Sec. 22: W2.

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CODELL	CODL		320	S.22 T11N R64W: W2

DRILLING PROGRAM

Proposed Total Measured Depth: 12983 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: 684 Feet ☐ No well belonging to another operator within 1,500 feet

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?

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	13+1/2	9+5/8	36	0	1500	786	1500	0
1ST	8+3/4	5+1/2	20	0	12983	1682	12983	

☒ 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 Distance from completed portion of the wellbore to nearest wellbore permitted or completed in the same formation was measured to the permitted Little Lady 21-4CH owned by Upland Resources Inc. using vertical.

Distance to nearest permitted or existing wellbore belonging to another operator was measured to the permitted Salt Ranch Fee 504-1015H, API No. 05-123-46484, operated by CCRP Operating Inc.

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: Kim Rodell _____

Title: Permit Agent _____ Date: 7/12/2018 _____ Email: krodell@upstreampm.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: _____

API NUMBER

05

Expiration Date: _____

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

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Best Management Practices

No	BMP/COA Type	Description
1	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.
2	Drilling/Completion Operations	Anti-Collision: Upland will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice will be given to all offset operators within 150 feet prior to drilling.

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

Att Doc Num	Name
401700835	FORM 2 SUBMITTED
401700979	OffsetWellEvaluations Data
401701125	WELL LOCATION PLAT
401701126	DEVIATED DRILLING PLAN
401701132	DIRECTIONAL DATA

Total Attach: 5 Files

General Comments

User Group	Comment	Comment Date
Permit	Passed Completeness.	07/17/2018

Total: 1 comment(s)

Public Comments

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

FORM
2
Rev
08/16

State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

401700576

Date Received:

07/12/2018

APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refiling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Little Lady

Well Number: 22-7NH

Name of Operator: UPLAND EXPLORATION LLC

COGCC Operator Number: 10701

Address: 424 S MAIN ST

City: BOERNE

State: TX

Zip: 78006

Contact Name: Larry Jenkins

Phone: (580)716-0535

Fax: ()

Email: larry@uplandexploration.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20180078

WELL LOCATION INFORMATION

QtrQtr: NENW Sec: 22 Twp: 11N Rng: 64W Meridian: 6

Latitude: 40.912350

Longitude: -104.532730

Footage at Surface: 465 Feet FNL/FSL FNL 2461 Feet FEL/FWL FWL

Field Name: WILDCAT

Field Number: 99999

Ground Elevation: 5426

County: WELD

GPS Data:

Date of Measurement: 07/02/2018 PDOP Reading: 1.3 Instrument Operator's Name: Kyle Daley

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

330 FNL 2310 FWL 330 FSL 2310 FWL

Sec: 22 Twp: 11N Rng: 64W Sec: 22 Twp: 11N Rng: 64W

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: 20180077

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.)

T11N R64W Sec. 22: W2

Total Acres in Described Lease: 640 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: 330 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1228 Feet
Building Unit: 1406 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 452 Feet
Above Ground Utility: 426 Feet
Railroad: 5280 Feet
Property Line: 239 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: 660 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 330 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Upland is protesting the HighPoint application (temp. docket # 180700572) and will file a 320-acre drilling and spacing unit application covering seven lease wells. This proposed Drilling and Spacing Unit will cover T11N R64W Sec. 22: W2.

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	S.22 T11N R64W: W2

DRILLING PROGRAM

Proposed Total Measured Depth: 12729 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: 632 Feet ☐ No well belonging to another operator within 1,500 feet

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?

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	13+1/2	9+5/8	36	0	1500	786	1500	0
1ST	8+3/4	5+1/2	20	0	12729	7705	12729	7705

☒ 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 Distance from completed portion of the wellbore to nearest wellbore permitted or completed in the same formation was measured to the permitted Little Lady 21-5NH owned by Upland Exploration Inc. using vertical.

Distance to nearest permitted or existing wellbore belonging to another operator was measured to the permitted Salt Ranch Fee 208-1015H, API No. 05-123-46478, operated by CCRP Operating Inc.

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: Kim Rodell

Title: Permit Agent Date: 7/12/2018 Email: krodell@upstreampm.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: _____

API NUMBER

05

Expiration Date: _____

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

--	--

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Logging: 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.
2	Drilling/Completion Operations	Anti-Collision: Upland will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice will be given to all offset operators within 150 feet prior to drilling.

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>
401700576	FORM 2 SUBMITTED
401700661	DEVIATED DRILLING PLAN
401700662	WELL LOCATION PLAT
401700672	DIRECTIONAL DATA
401700676	OffsetWellEvaluations Data

Total Attach: 5 Files

General Comments

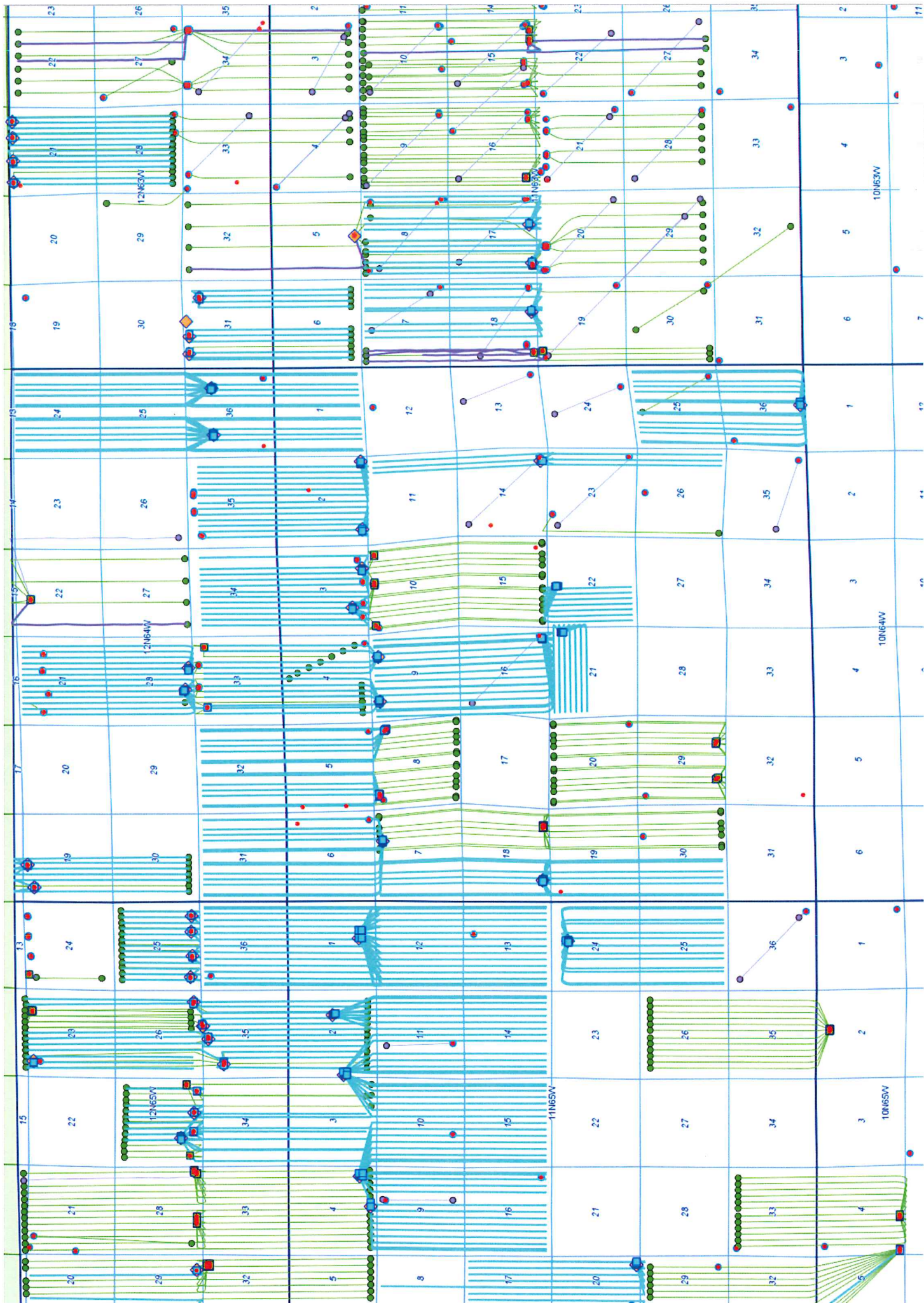
<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Passed Completeness.	07/17/2018

Total: 1 comment(s)

Public Comments

The following comments were provided by members of the public and were considered during the technical review of this application.

No.	Comment	Comment Date
1	<p>TO: John Noto, COGCC Oil and Gas Location Assessment Supervisor</p> <p>Email: john.noto@state.co.us</p> <p>Doug Andrews, COGCC OGLA Northeast Location Specialist</p> <p>Email: doug.andrews@state.co.us</p> <p>FR: Matt Sura, Attorney at Law</p> <p>DT: 8/6/2018</p> <p>RE: Comment on Form 2s: Little Lady 22-7NH, Little Lady 22-2CH, Little Lady 22-6CH, Little Lady 22-3NH, Little Lady 22-4CH, Little Lady 22-5NH, Little Lady 22-1NH</p> <p>Dear COGCC,</p> <p>These comments are being made on behalf of the Surface Owner, Gerald Richardson. Mr. Richardson opposes the proposed oil and gas development on his property located on W/2 Section 22 Township 11N, Range 64W in Weld County, Colorado. Please accept this comment for all seven proposed Form 2s (Applications for Permit to Drill – “APDs”) listed above.</p> <p>Mr. Richardson urges the COGCC to deny the location for the following reasons:</p> <p>1)The Operator, Upland Exploration, does not have a surface use agreement with Mr. Richardson.</p> <p>2)Upland Exploration has failed to consult with Mr. Richardson in good faith regarding the location of wells, facilities, roads, and flowlines, as required by Commission Rule 306.a.</p> <p>3)Upland Resources is proposing oil and gas development from a location that will result in waste and is in conflict with a spacing application that is on file with the COGCC: Docket No. 180700572.</p> <p>4)Upland Exploration lacks legal authority to drill from the location proposed in this pending application. The accommodation doctrine limits Upland Exploration’s use of the surface to that which is reasonable and necessary. C.R.S. 34-60-127(c). As proposed, Upland Exploration seeks unnecessary surface locations.</p> <p>According to COGCC public records, the Operator has not proposed a Form 2A location assessment for the surface location. The Surface Owner respectfully requests that staff review of the Little Lady wells be delayed until the Form 2A has been submitted and is deemed complete.</p> <p>Furthermore, Mr. Richardson requests that the undersigned be immediately notified of any decision on these applications so he may consider a request for a hearing on this application pursuant to COGCC Rule 503.b.(7)C. In the event he is not notified of an approval of these APDs, please accept this comment letter as a formal and timely request for a hearing on the applications.</p> <p>Thank you for your assistance in this matter.</p> <p>Sincerely,</p> <p>Matt Sura</p>	08/06/2018
Total: 1 comment(s)		



Received

JUL 17 2018

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

Jost Energy Law, P.C.

IN THE MATTER OF THE APPLICATION)	
OF HIGHPOINT OPERATING)	CAUSE NO. 421
CORPORATION FOR AN ORDER TO)	
VACATE THE 640-ACRE UNIT)	DOCKET NO. 180700572
ESTABLISHED BY ORDER NO. 421-3)	
FOR SECTION 22, TOWNSHIP 11)	TYPE: SPACING
NORTH, RANGE 64 WEST, 6TH P.M.,)	
ESTABLISH AN APPROXIMATE 1,280-)	
ACRE DRILLING AND SPACING UNIT)	
FOR SECTIONS 22 AND 27, TOWNSHIP)	
11 NORTH, RANGE 64 WEST, 6TH P.M.,)	
APPROVE UP TO SIXTEEN (16) NEW)	
HORIZONTAL WELLS WITHIN THE UNIT,)	
AND APPROVE REDUCED BOUNDARY)	
SETBACKS OF 150 FEET FOR THE)	
NIOBRARA AND FORT HAYS)	
FORMATIONS, AND 300 FEET FOR THE)	
CODELL AND CARLILE FORMATIONS,)	
FOR THE PRODUCTION OF OIL, GAS)	
AND ASSOCIATED HYDROCARBONS)	
FROM THE CODELL, CARLILE, FORT)	
HAYS AND NIOBRARA FORMATIONS,)	
HEREFORD FIELD, WELD COUNTY,)	
COLORADO)	

PROTEST OF UPLAND EXPLORATION, LLC

Upland Exploration, LLC ("Upland"), successor in interest to Upland Exploration, Inc., pursuant to Rule 509 of the Rules of the Colorado Oil and Gas Conservation Commission ("Commission"), files this protest against HighPoint Operating Corporation's ("HighPoint") application to vacate a 640-acre drilling and spacing unit for Section 22, Township 11 North, Range 64 West, 6th P.M. established by Order No. 421-3, and to establish a 1,280-acre drilling and spacing unit for Sections 22 and 27, Township 11 North, Range 64 West, 6th P.M. ("Application Lands"), Docket No. 180700572.

The Application should be denied because it interferes with Upland's right to develop its own oil and gas leasehold interests within the Application Lands. Upland is the Owner of 100% of the oil and gas leasehold working interest in the W1/2 of Section 22, Township 11 North, Range 64 West, 6th P.M. ("W1/2 of Section 22") in the Application Lands. Upland has an established development plan and pending applications for permits to drill ("APD") its own wells on a lease basis in the W1/2 of Section 22. Upland's development plan provides for efficient and economic

development of oil, gas and other hydrocarbons, minimizes surface impacts, prevents waste, and protects correlative rights in accordance with the Oil and Gas Conservation Act, C.R.S. § 34-60-101, *et seq.* ("Act"). HighPoint's proposed development plan and requested drilling and spacing unit will interfere with such rights and lead to waste. Accordingly, Upland requests that the Commission deny HighPoint's Application.

I. General Statement of Factual and/or Legal Basis for Protest

Upland is an "Owner," as defined by the Act, of 100% of the oil and gas leasehold rights in the W1/2 of Section 22, within the Application Lands. Upland is a proper "Protestant," as defined by the 100 Series of the Commission Rules, because Upland "would be directly and adversely affected or aggrieved by the Commission's ruling in the proceeding" and "any injury or threat of injury sustained would be entitled to legal protection under the Act."

The Act grants the Commission authority to prevent waste and protect correlative rights of all oil and gas interest owners in a pool or field. *Id.* § 34-60-117(1). The Act protects correlative rights by providing that "each owner and producer in a common pool or source of supply of oil and gas shall have an equal opportunity to obtain and produce his just and equitable share of the oil and gas underlying such pool or source of supply." *Id.* § 34-60-103(4) (emphasis added).

The Act defines "waste" as applied to oil, as including "underground waste; inefficient, excessive, or improper use or dissipation of reservoir energy, including gas energy and water drive; [and] surface waste," among other things. *Id.* § 34-60-103(12). The Act further defines "waste" as "[t]he locating, spacing, drilling, equipping, operating, or producing of any oil or gas well or wells in a manner which causes or tends to cause reduction in quantity of oil or gas ultimately recoverable from a pool under prudent and proper operations or which causes or tends to cause unnecessary or excessive surface loss or destruction of oil or gas . . ." *Id.* § 34-60-103(13)(b).

Pursuant to the Act, in establishing a drilling unit, the acreage to be embraced within each unit and the shape thereof shall be determined by the Commission from the evidence introduced at the hearing; except that, when found to be necessary to prevent waste and protect correlative rights, the Commission is authorized to divide any pool into zones and establish drilling units for each zone, which units may differ in size and shape from those established in any other zone, so that the pool as a whole will be efficiently and economically developed. *Id.* § 34-60-116(1)-(2). However, no drilling unit shall be smaller than the maximum area that can be efficiently and economically drained by one well. *Id.* § 34-60-116(2).

Wells drilled to the Niobrara, Fort Hays, Codell and Carlile formations in northeastern Weld County in the vicinity of the Application Lands show a much lower Gas to Oil Ratio (GOR) than the GORs seen in other parts of the Greater Wattenberg Area. These lower GORs equate to lower reservoir energy, which necessitates that wells be placed on rod pump very early in the life of a well and, for mechanical

efficiency, necessitates a minimum of one well pad per 320 acres. As will be shown at the hearing, horizontal well performance from units developed in northeastern Weld County suggests that shorter lateral lengths result in greater projected ultimate recoveries than the almost two-mile laterals proposed by HighPoint in a 1280-acre drilling unit. Based on a review of Commission records available on the Commission's website, it appears that, to date, no horizontal well with a two-mile lateral has been drilled in Township 11 North, Range 64 West, 6th P.M.

Upland's correlative rights will be directly and adversely affected if the Commission approves HighPoint's Application. Upland has paid significant consideration for its leasehold exploration and development rights and has drilling and development plans for its leasehold acreage in the Applications, including the lands at issue in Docket No. 180700574. On July 13, 2018, Upland filed with the Commission APDs to drill the Little Lady 1NH-7NH wells in the W1/2 of Section 22.

HighPoint's proposed 1,280-acre spacing unit with almost two-mile laterals will not efficiently drain the reservoir, leading to waste. Upland will present evidence at the hearing that its plan of development for the W1/2 of Section 22 on a 320-acre basis will ensure compliance with the mandates of the Act. Upland's plan of development provides for efficient and economic development of oil and gas, reduction in surface impacts, prevention of waste, and protection of Upland's and the mineral owner's correlative rights in the W1/2 of Section 22, as required by the Act.

II. Request for Relief

Upland request that the Commission deny HighPoint's Application.

III. Description of the Intended Presentation and Proposed Witnesses

Upland intends to present opening and closing statements in support of this Protest and conduct direct and cross examination of witnesses in support of this Protest. Upland proposes the following witnesses:

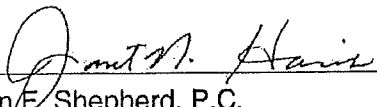
- David Watts
- Thomas Taylor
- Larry Jenkins

IV. Time Estimate to Hear the Protest

Upland estimates that it needs approximately one hour to present its Protest and examine its witness.

Upland reserves the right to amend or supplement its presentation, proposed witness, or time estimates prior to the hearing on this matter.

Dated: July 13, 2018

By: 
John F. Shepherd, P.C.
Janet N. Harris
Tina R. Van Bockern
Holland & Hart LLP
555 17th Street, Suite 3200
Denver, CO 80202
(303) 295-8309
jshpeherd@hollandhart.com
jnharris@hollandhart.com
trvanbockern@hollandhart.com
ATTORNEYS FOR UPLAND EXPLORATION, LLC

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF THE APPLICATION)	
OF HIGHPOINT OPERATING)	CAUSE NO. 421
CORPORATION FOR AN ORDER TO)	
VACATE THE 640-ACRE UNIT)	DOCKET NO. 180700572
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APPROVE UP TO SIXTEEN (16) NEW)	
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SETBACKS OF 150 FEET FOR THE)	
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FORMATIONS, AND 300 FEET FOR THE)	
CODELL AND CARLILE FORMATIONS,)	
FOR THE PRODUCTION OF OIL, GAS)	
AND ASSOCIATED HYDROCARBONS)	
FROM THE CODELL, CARLILE, FORT)	
HAYS AND NIOBRARA FORMATIONS,)	
HEREFORD FIELD, WELD COUNTY,)	
COLORADO)	

CERTIFICATE OF SERVICE

I hereby certify that on July 13, 2018, a true and correct copy of the PROTEST OF UPLAND EXPLORATION, LLC has been served, at least 14 business days prior to the first hearing date on this matter, via E-Mail and U.S. mail, postage pre-paid, to the following parties:

Jamie L. Jost
Kelsey H. Wasylenky
Jost Energy Law, P.C.
1401 17th Street, Suite 370
Denver, Colorado 80202

jjost@jostenergylaw.com
kwasylenky@jostenergylaw.com

And via E-Mail and hand delivery to the following parties:

Julie Murphy
Colorado Oil & Gas Conservation
Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

cogcc.hearings_unit@state.co.us,
julie.murphy@state.co.us

DATED this 13th day of July, 2018.

Kathleen O'Riley

Holland and Hart, LLP
Attn: John F. Shepherd, P.C.
555 17th Street, Suite 3200
Denver, CO 80202

ATTORNEYS FOR UPLAND EXPLORATION, LLC

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF THE APPLICATION OF
HIGHPOINT OPERATING CORPORATION
(OPERATOR NO. 10071) FOR AN ORDER TO
DENY UPLAND EXPLORATION, LLC'S
(OPERATOR NO. 10701) SEVEN (7) FORM 2
APPLICATIONS FOR PERMITS TO DRILL
CERTAIN NAMED LITTLE LADY WELLS IN
SECTION 22, TOWNSHIP 11 NORTH, RANGE
64 WEST, 6TH P.M., WILDCAT FIELD, WELD
COUNTY, COLORADO BASED ON RULE
503.b.(10) AND THE COLORADO OIL AND GAS
CONSERVATION ACT

CAUSE NO.


DOCKET NO. 181000808

TYPE:

AFFIDAVIT OF MAILING

STATE OF COLORADO)
)ss.
CITY AND COUNTY OF DENVER)

The undersigned, of lawful age, and being first duly sworn upon my oath, state and declare that I am the attorney for HighPoint Operating Corporation, and that on or before the 5th day of September, 2018 I caused a copy of the Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to this Affidavit.



Jamie L. Jost
Kelsey H. Wasylenky

Subscribed and sworn to before me this 4th day of September, 2018.

Witness my hand and official seal.



Notary Public

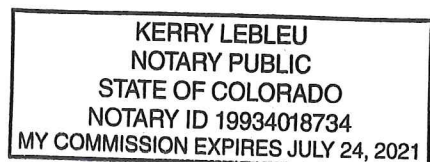


EXHIBIT A
HIGHPOINT - App to Deny Upland Little Lady Sec. 22 APDs

Upland Exploration, Inc.
3303 Cypress Creek Pkwy # 145
Houston, TX 77068

John Shephard and Janet Harris
Holland & Hart
555 17th Street, Suite 3200
Denver, CO 80202

HighPoint Operating Corporation
ATTN: Leslie Mann
1099 18th Street, Suite 2300
Denver, CO 80202