

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

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

Date Received:
03/21/2016

Well Name: BIG JAKE Well Number: 1-18

Name of Operator: GRAND MESA OPERATING CO COGCC Operator Number: 35080

Address: 1700 N. WATERFRONT PKWY BL 600

City: WICHITA State: KS Zip: 67206

Contact Name: Michael J. Reilly Phone: (316)265-3000 Fax: (316)265-3455

Email: mreilly@gmocks.com

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 20020080

WELL LOCATION INFORMATION

QtrQtr: NESW Sec: 18 Twp: 5S Rng: 53W Meridian: 6

Latitude: 39.615260 Longitude: -103.362600

Footage at Surface: 2525 feet FNL/FSL FSL 1647 feet FEL/FWL FWL

Field Name: WILDCAT Field Number: 99999

Ground Elevation: 5115 County: WASHINGTON

GPS Data:
Date of Measurement: 12/21/2015 PDOP Reading: 1.6 Instrument Operator's Name: Frane Surveying-Elijah Frane

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 _____

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: Fee State Federal Indian

The Surface Owner is: is the mineral owner beneath the location.
(check all that apply) is committed to an Oil and Gas Lease.
 has signed the Oil and Gas Lease.
 is the applicant.

The Mineral Owner beneath this Oil and Gas Location is: Fee State Federal Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: Yes

The right to construct the Oil and Gas Location is granted by: oil and gas lease

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

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

SW/4 Sec. 18-5S-53W

Total Acres in Described Lease: 160 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: 115 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 2593 Feet

Building Unit: 2593 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 1647 Feet

Above Ground Utility: 2593 Feet

Railroad: 5280 Feet

Property Line: 115 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: 4350 Feet

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

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

SPACING & FORMATIONS COMMENTS

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
MISSISSIPPIAN	MSSP			
PENNSYLVANIAN	PENN			

DRILLING PROGRAM

Proposed Total Measured Depth: 8300 Feet

Distance from proposed wellbore to nearest existing or permitted wellbore belonging to another operator:

2154 Feet (Including plugged wells)

Will a closed-loop drilling system be used? No

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: ONSITE Drilling Fluids Disposal Methods: Other

Cuttings Disposal: ONSITE Cuttings Disposal Method: Other

Other Disposal Description:

Evaporate and bury

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	11	8+5/8	24	0	350	200	350	0
1ST	7+7/8	5+1/2	17.0/15.5	0	8300	300	8300	6500
			Stage Tool		5000	200	5000	3800

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 40 acre voluntary pooled area, as shown on the attached DOP. Offset property owner in NW/4 of 18-5S-53W is okay with well location and an exception letter signed from same and a letter to the Director attached.

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: Michael J. Reilly

Title: President Date: 3/21/2016 Email: mreilly@gmocks.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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

COGCC Approved: *Matthew Lee* Director of COGCC Date: 5/5/2016

Expiration Date: 05/04/2018

API NUMBER
05 121 11059 00

Conditions Of Approval

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

<u>COA Type</u>	<u>Description</u>
	<p>Bradenhead tests shall be performed and reported according to the following schedule and Form 17 submitted within 10 days of each test.:</p> <ol style="list-style-type: none"> 1) Within 60 days of rig release, prior to stimulation. 2) Approx. 6 months after rig release, prior to stimulation. 3) Within 30 days of first production, as reported on Form 5A.
	<ol style="list-style-type: none"> 1) Provide 48 hour notice prior to spud via electronic Form 42. 2) If production casing is set provide cement coverage to at least 200' above the shallowest completed interval, and across Cheyenne/Dakota interval (5050' to 4450' min). Run and submit CBL to verify cemented intervals. 3) If well is a dry hole set plugs at the following depths: 40 sks cement +/- 50' above the Marmaton, 40 sks cement across any DST w/ show, 40 sks cement 100' below Cheyenne (5050'), 40 sks cement 50' above top of Dakota (4450'), 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface casing, cut 4 ft below GL, weld on plate, 5 sks cement each in rat hole and mouse hole.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	<p>Grand Mesa Operating, Co. 1700 N Waterfront Pkwy, Bldg 600 Wichita, KS 67206 P - 316-265-3000 F - 316-265-3455</p> <p>Certification of Discharge under CDPHE COR-030000 Storm water discharges associated with construction permit number -- COR030924</p> <p>Prior to construction, perimeter controls will be installed utilizing cutting from the clearing operations. Once the well pad has been constructed a variety of BMP's shall be utilized for the site specific conditions. BMP's to be utilized may include, but are not limited to:</p> <ul style="list-style-type: none"> -Dirt berms -Erosion control blankets -Straw bale barrier -Straw wattle -Check dams -Culvert/Culvert Protection -Silt Fence -Surface roughening/Surface rip <p>Drill pits will be filled and reclaimed within 3 months weather permitting. Topsoil will be separated and spread on drill site as final operation. Storm Water Management Plan (SWMP) is on file in Grand Mesa Operating, Co office. Spill Prevention, Control and Countermeasure Plan is on file in Grand Mesa Operating, Co. office.</p>
2	Drilling/Completion Operations	<p>Per Rule 317.p -- Open-hole Resistivity Log with Gamma Ray Log will be run from TD into the surface casing. A Cement Bond Log with Gamma-Ray will be run on production casing, or on intermediate casing if a production liner is run. The Form 5, Completion Report, will list all logs run and have those logs attached.</p>

Total: 2 comment(s)

Applicable Policies and Notices to Operators

Policy
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>
901408	EXCEPTION LOC REQUEST
400966565	FORM 2 SUBMITTED
400968645	WELL LOCATION PLAT
400968648	TOPO MAP
400982650	EXCEPTION LOC WAIVERS
400982656	UNIT CONFIGURATION MAP
400982668	OTHER
400984254	30 DAY NOTICE LETTER
401011951	CONSULT NOTICE

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	5/2/2016 8:23:20 AM
Permit	Per operator: 1) Distance to unit boundary, unit comments, and unit acreage and configuration from "Objective Formation" section have been removed. 2) Distance from completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation revised to 4350'. 3) Revised exception location letter has been attached.	4/12/2016 8:40:50 AM
Permit	1) Distance to unit boundary should be blank, as there is no drilling unit for this location. Also remove unit comments, unit acreage and configuration from "Objective Formation" section. 2) Distance from completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation needs to be revised (4350' NE to 121-11054). 3) Revise exception location request letter.	4/12/2016 7:51:25 AM
Permit	Passed completeness.	3/22/2016 12:05:45 PM

Total: 4 comment(s)