



COLORADO

Oil & Gas Conservation Commission

Department of Natural Resources
1120 Lincoln Street, Suite 801
Denver, CO 80203

January 30, 2019

Mr. Jeff Masterson
Raisa II Operating LLC
1560 Broadway, Suite 2050
Denver, CO 80202

RE: Raisa State HZ27 Pad (Location ID # 459116): No Stimulation Zone,

Dear Mr. Masterson,

As a follow up to our meeting on January 17, 2019 regarding wells on the Raisa State 27HZ Pad (Location ID #459116), COGCC presents this letter to clarify the discussion regarding Option 4 of the COGCC's DJ Basin Horizontal Offset Policy - June 20, 2013, revised December 17, 2017 (Policy). Option 4 of the Policy reads "Secure COGCC approval for an alternative form of mitigation or COGCC agreement that additional mitigation is unnecessary under the circumstances."

Consistent with Option 4 of the Policy, each well's Application for Permit to Drill, Form 2 (APD) has the following condition of approval (COA): *Operator acknowledges the proximity of the listed wells. Operator assures that this offset list will be remediated per the DJ Basin Horizontal Offset Policy (option 4). Operator will submit a Form 42 ("OTHER - AS SPECIFIED BY PERMIT CONDITION") stating that appropriate mitigation will be completed, during the hydraulic stimulation of this well. This Form 42 shall be filed 48 hours prior to stimulation. Operator will assure that no wellbore will be stimulated within 750' of the listed wells. State 4-36 CG (API 123-10207) State 6-36 CG (API 123-10209).*

The attached Exhibit A depicts the 750-foot No Stimulation Zone, which is set forth in each well's APD. We have identified the following list of wells of the Raisa State 27HZ Pad that contain a portion of their lateral in the No Stimulation Zone:

Well Name	API#	Location
RAISA STATE # 27HZNB #4	05-123-48717	SESW 27 1N66W
RAISA STATE # 27HZNC #4	05-123-48718	SESW 27 1N66W
RAISA STATE # 27HZNB #5	05-123-48719	SESW 27 1N66W
RAISA STATE # 27HZC #3	05-123-48721	SESW 27 1N66W
RAISA STATE # 27HZNC #5	05-123-48720	SESW 27 1N66W
RAISA STATE # 27HZNB #6	05-123-48716	SESW 27 1N66W

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For those wells that are within the 750 foot No Stimulation Zone, and per our discussion on January 17th, the COGCC requests that Raisa II Operating LLC provide the following information to the COGCC via a Sundry Notice, Form 4.

1. A Drilling Plan and schedule.
2. A Stimulation Plan including a projected schedule for applied pressure, the method for monitoring the treatment pressure particularly in regards to screen-outs and Nolte and Smith fracture modes.
3. A procedure to ensure no stimulation will occur in the No Stimulation Zone.
4. A Preformation Plan to ensure no lateral portion of a well in the No Stimulation Zone is perforation until after all wells have been stimulated.
5. A fracture model of the treatment fracture length and height.
6. A microseismic monitoring plan to monitor seismicity during stimulation with a shutdown procedure if any seismic events are greater than M1.0 magnitude.
7. A fault map from 3D seismic data, a horizontal time slice at the Fort Hayes member of the Niobrara and two seismic profiles across Section 36 through the No Stimulation Zone.
8. A stress analysis to understand the major and minor horizontal stress directions.

This Sundry Notice, Form 4 are to be submitted for the Raisa State 27HZ Pad (Location ID #459116) 30 days prior to spudding the first well on the pad.

If you have any questions, or need further clarification, please feel free to contact Diana Burn or myself.

Sincerely,



Stuart Ellsworth
Engineering Manager

Cc:

Jeff Masterson email jmasterson@raisaenergy.com
COGCC Location #459116 file

Exhibit A

Ralsa State 27 HZ Pad (Loc# 459116)



