FORM 2 Rev 08/19

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
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Document Number: 401554879

Date Received: 02/26/2018

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: Almont Well Number: 5-2-2L

Name of Operator: CONFLUENCE DJ LLC COGCC Operator Number: 10518

Address: 1001 17TH STREET #1250

City: DENVER State: CO Zip: 80202

Contact Name: Brittany Rothe Phone: (303)226-9519 Fax: ( )

Email: brothe@confluencelp.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20160056

WELL LOCATION INFORMATION

QtrQtr: NENE Sec: 6 Twp: 7N Rng: 64W Meridian: 6

Latitude: 40.605970 Longitude: -104.584100

Footage at Surface: 1147 Feet FNL/FSL FNL 325 Feet FEL/FWL FEL

Field Name: WATTENBERG Field Number: 90750

Ground Elevation: 4996 County: WELD

GPS Data:

Date of Measurement: 02/03/2018 PDOP Reading: 1.5 Instrument Operator's Name: Kyle Daley

If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: 735 FNL/FSL FNL 470 FEL/FWL FWL

Bottom Hole: 735 FNL/FSL FNL 470 FEL/FWL FEL

Sec: 5 Twp: 7N Rng: 64W Sec: 4 Twp: 7N Rng: 64W

LOCAL GOVERNMENT INFORMATION

County: WELD Municipality: N/A

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

The local government with jurisdiction is: County

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

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

The local government siting permit type is:

The local government siting permit was filed on:

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

Additional explanation of local process:

WOGLA submitted on 4/16/19

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: [X] Fee [ ] State [ ] Federal [ ] Indian

The Surface Owner is: (check all that apply)
- [X] is the mineral owner beneath the location.
- [ ] 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: [X] Fee [ ] State [ ] Federal [ ] Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: No

The right to construct the Oil and Gas Location is granted by: Surface Use Agreement

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

LEASE INFORMATION

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

T7N-R64W Section 4: SW/4

Total Acres in Described Lease: 160 Described Mineral Lease is: [X] Fee [ ] State [ ] Federal [ ] Indian

Federal or State Lease # _____

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

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building:	1381	Feet
Building Unit:	1381	Feet
High Occupancy Building Unit:	5280	Feet
Designated Outside Activity Area:	5280	Feet
Public Road:	314	Feet
Above Ground Utility:	297	Feet
Railroad:	5280	Feet
Property Line:	325	Feet
School Facility:	5280	Feet
School Property Line:	5280	Feet
Child Care Center:	5280	Feet

INSTRUCTIONS:
- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit, High Occupancy Building Unit, Designated Outside Activity Area, School Facility, and Child Care Center – as defined in 100 Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a:
- [ ] Buffer Zone
- [ ] Exception Zone
- [ ] Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: _____

SPACING and UNIT INFORMATION

Distance from completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 212 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 470 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Confluence DJ LLC is submitting a spacing application for 1280 acres that will cover Sections 5 and 4 in T7N R64W.

If this Form 2 is associated with a Drilling and Spacing Unit application, provide docket number:

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	407-2761	1280	Sec. 4 & 5

DRILLING PROGRAM

Proposed Total Measured Depth: 17322 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: 50 Feet ☐ No well belonging to another operator within 1,500 feet

Will a closed-loop drilling system be used? Yes

Is H_2S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H2S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? Yes

BOP Equipment Type: ☒ Annular Preventor ☒ Double Ram ☒ Rotating Head ☐ None

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 318A

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
CONDUCTOR	26	16	43	0	80	400	80	0
SURF	13+1/2	9+5/8	36	0	1500	878	1500	0
1ST	8+3/4	5+1/2	17	0	17322	2340	17322	

☐ 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 proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation was measured to the proposed Almont 5-1-4L using vertical and horizontal separation.

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged well was measured to the plugged and abandoned Owl Creek 24, API No. 05-123-12319, operated by St James Energy Operating Inc.

Please contact Andrea Gross for questions on this permit. For questions regarding the offset well evaluation, please email both Andrea and Brittany.

The wellbore does not cross lease described but the lease is within DSU.

This application is in a Comprehensive Drilling Plan: No CDP #: _____

Location ID: 459041

Is this application being submitted with an Oil and Gas Location Assessment application? No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Andrea Gross

Title: Permit Agent Date: 2/26/2018 Email: Agross@upstreampm.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, applicable orders, and SB 19-181 and is hereby approved.

COGCC Approved: _____ **Director of COGCC** Date: 9/26/2019

Expiration Date: 09/25/2021

API NUMBER
05 123 50555 00

Conditions Of Approval

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

COA Type	Description
Construction	If location is not built by 2A expiration 11/13/2021, Operator must Refile Form 2A for approval prior to location construction.
Drilling/Completion Operations	Bradenhead tests shall be performed and reported according to the following schedule and Form 17 submitted within 10 days of each test: 1) Within 60 days of rig release and prior to stimulation or 2) If a delayed completion, 6-7 months after rig release and prior to stimulation. 3) Within 30 days after first production, as reported on Form 5A.
Drilling/Completion Operations	1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU (Spud Notice), for the first well/activity on the pad and provide 48 hour spud notice for all subsequent wells drilled on the pad. 2) Comply with Rule 317.j and provide cement coverage from the end of production casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log. 3) Oil-based drilling fluid is to be used only after all aquifers are covered.

Best Management Practices

No	BMP/COA Type	Description
1	Drilling/Completion Operations	Alternative Logging Program: One of the first wells drilled on the pad will be logged with open-hole resistivity log and gamma-ray log from the kick-off point into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. The Form 5, Completion Report, for each well on the pad will list all logs run and have those logs attached. The Form 5 for a well without open-hole logs shall state “Alternative Logging Program - No open-hole logs were run” and shall clearly identify the type of log and the well (by API#) in which open-hole logs were run."
2	Drilling/Completion Operations	Anti-collision: Operator 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 shall be given to all offset operators prior to drilling.
3	Drilling/Completion Operations	Bradenhead Monitoring: Operator acknowledges and will comply with COGCC Policy for Braden-head Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.

Total: 3 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
Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area. http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf

Attachment Check List

Att Doc Num	Name
1347686	CORRESPONDENCE
1347687	CORRESPONDENCE
1638330	EXCEPTION LOC WAIVERS
2158184	OBJECTIVE CRITERIA REVIEW MEMO
401554879	FORM 2 SUBMITTED
401554932	DEVIATED DRILLING PLAN
401554933	WELL LOCATION PLAT
401554934	DIRECTIONAL DATA
401554939	SURFACE AGRMT/SURETY
401555476	EXCEPTION LOC REQUEST
401555954	OffsetWellEvaluations Data
402189529	OFFSET WELL EVALUATION

Total Attach: 12 Files

General Comments

User Group	Comment	Comment Date
Permit	Final Review Completed.	09/24/2019
Permit	COGCC staff conducted its technical review of this Form 2 Application for Permit to Drill (APD) within the context of SB 19-181 and the required Objective Criteria. This APD met Objective Criteria # 1 and 8.	09/24/2019
Permit	The Objective Criteria Review Memo (Doc#2158184) is attached to this Form 2 Application for Permit to Drill (APD). Following additional analysis arising out of the Objective Criteria, the Director determined that this application meets the standard for the protection of public health, safety, welfare, the environment and wildlife resources set by SB 19-181.	09/20/2019
Permit	Final permitting review Complete. Send to Final Approval. The following changes were made with Operator concurrence: - local government disposition and school/childcare setback distance information entered per information provided by Operator	06/13/2019
Permit	Initial permitting review complete and task passed. The following changes were made with Operator concurrence: - corrected/confirmed "distance to the completed portion of the nearest well" distance and comment	04/09/2019
Permit	Noble Energy filed a Rule 303.j Complaint on Feb. 22, 2019. See attached correspondence. Outcome: complaint dismissed.	04/05/2019
Permit	The following changes were made with Operator concurrence: - corrected 317.p. logging BMP	03/04/2019
Permit	The following changes were made with Operator concurrence: - distance to nearest building corrected, added “Submit” tab comment "The wellbore does not cross lease described but the lease is within DSU.", and attached corrected EXCEPTION LOC WAIVERS	02/25/2019
Permit	Contacted Operator for the following corrections: - Rule 317.p. BMP corrections - distance to nearest building requires correction - Exception Loc Waiver correction	09/10/2018
Engineer	Offset Wells Evaluated	07/03/2018
Permit	Passed Completeness.	03/06/2018

Total: 11 comment(s)