

FORM

2

Rev
12/05

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:

400421787

Date Received:

06/17/2013

PluggingBond SuretyID

20100117

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER _____
 SINGLE ZONE ☐ MULTIPLE ☒ COMMINGLE ☒

Refiling ☐Sidetrack ☐3. Name of Operator: SUNDANCE ENERGY INC4. COGCC Operator Number: 103405. Address: 633 17TH STREET #1950City: DENVER State: CO Zip: 802026. Contact Name: Jeff Reale Phone: (970)663-1448 Fax: (970)667-0046Email: jeff@mistymountainop.com7. Well Name: Grant Brothers Well Number: 23-4Ae

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 7683

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 23 Twp: 2N Rng: 68W Meridian: 6Latitude: 40.118634 Longitude: -104.967958

Footage at Surface: 628 feet FNL/FSL 1965 feet FEL/FWL FEL

11. Field Name: Spindle Field Number: 7790012. Ground Elevation: 4919 13. County: WELD

14. GPS Data:

Date of Measurement: 05/13/2013 PDOP Reading: 1.9 Instrument Operator's Name: JDP15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1324 FSL 2643 FEL FEL Bottom Hole: FNL/FSL 1324 FSL 2643 FEL FEL
 Sec: 23 Twp: 2N Rng: 68W Sec: 23 Twp: 2N Rng: 68W

16. Is location in a high density area? (Rule 603b)? ☒ Yes ☐ No17. Distance to the nearest building, public road, above ground utility or railroad: 267 ft18. Distance to nearest property line: 628 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1322 ft

20. LEASE, SPACING AND POOLING INFORMATION

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| NIOBRARA-CODELL | NB-CD | | 160 | GWA |

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#: _____23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☐ Yes ☐ No23b. If 23 is No: ☒ Surface Owners Agreement Attached or ☐ \$25,000 Blanket Surface Bond ☐ \$2,000 Surface Bond ☐ \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

SE/4 of Section 23, T2N, R68W

25. Distance to Nearest Mineral Lease Line: 1324 ft

26. Total Acres in Lease: 160

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? ☐ Yes ☒ No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? ☐ Yes ☒ No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? ☐ Yes ☒ No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☐ No

31. Mud disposal: ☒ Offsite ☐ Onsite

If 28, 29, or 30 are "Yes" a pit permit may be required.

Method: ☐ Land Farming ☒ Land Spreading ☐ Disposal Facility Other: _____

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

| Casing Type | Size of Hole | Size of Casing | Wt/Ft | Csg/Liner Top | Setting Depth | Sacks Cmt | Cmt Btm | Cmt Top |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| SURF | 12+1/4 | 8+5/8 | 24 | 0 | 650 | 430 | 650 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 7,683 | 580 | 7,683 | 300 |

32. BOP Equipment Type: ☐ Annular Preventer ☒ Double Ram ☐ Rotating Head ☐ None

33. Comments No conductor casing will be set. Interest in proposed spacing unit is 100% owned by applicant. Objective formation consists of the E/2 SW/4 & W/2 SE/4 of Section 23.

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? ☐ Yes ☐ No

36. Is this application part of submitted Oil and Gas Location Assessment ? ☒ Yes ☐ No

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

Signed: _____ Print Name: Jeff Reale

Title: Agent Date: 6/17/2013 Email: jeff@mistymountainop.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

Permit Number: _____ Expiration Date: _____

CONDITIONS OF APPROVAL, IF ANY:

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.

Data retrieval failed for the subreport 'IntPolicy_NTO' located at: W:\Inetpub\NetReport\policy_nto.rdl. Please check th

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400421787 | FORM 2 SUBMITTED |
| 400430594 | TOPO MAP |
| 400434976 | SURFACE AGRMT/SURETY |
| 400438503 | DIRECTIONAL DATA |
| 400438505 | DEVIATED DRILLING PLAN |
| 400438507 | MULTI-WELL PLAN |
| 400438508 | WELL LOCATION PLAT |
| 400439867 | EXCEPTION LOC REQUEST |
| 400440039 | EXCEPTION LOC REQUEST |

Total Attach: 9 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | |

Total: 0 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
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