

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:

400421781

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 INC

4. COGCC Operator Number: 10340

5. Address: 633 17TH STREET #1950

City: DENVER State: CO Zip: 80202

6. Contact Name: Jeff Reale Phone: (970)663-1448 Fax: (970)667-0046

Email: jeff@mistymountainop.com

7. Well Name: Grant Brothers Well Number: 23-2Ae

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

9. Proposed Total Measured Depth: 7693

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 23 Twp: 2N Rng: 68W Meridian: 6

Latitude: 40.118634 Longitude: -104.967923

Footage at Surface: 628 feet FNL/FSL 1955 feet FEL/FWL FEL

11. Field Name: Spindle Field Number: 77900

12. Ground Elevation: 4919 13. County: WELD

14. GPS Data:

Date of Measurement: 05/13/2013 PDOP Reading: 1.9 Instrument Operator's Name: JDP

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

Footage at Top of Prod Zone: FNL/FSL 2647 FSL 1323 FEL 2647 FSL 1323 FEL 2647 FSL 1323 FEL
Sec: 23 Twp: 2N Rng: 68W Sec: 23 Twp: 2N Rng: 68W

16. Is location in a high density area? (Rule 603b)? ☒ Yes ☐ No

17. Distance to the nearest building, public road, above ground utility or railroad: 257 ft

18. Distance to nearest property line: 628 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 662 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 ☐ Indian

23. 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 ☐ No

23b. 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: 1323 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	7,693	580	7,693	3,000

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 S/2NE/4 & N/2SE/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

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: 7/23/2013

API NUMBER

05 123 37749 00

Permit Number: _____ Expiration Date: 7/22/2015

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.

- 1) Note surface casing setting depth change from 650' to 800'. Increase cement coverage accordingly and cement to surface.
- 2) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 3) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Shannon to 200' above Sussex. Verify coverage with cement bond log.
- 4) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Operator must meet water well testing requirements per Rule 318A.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400421781	FORM 2 SUBMITTED
400430555	TOPO MAP
400434603	SURFACE AGRMT/SURETY
400438492	DIRECTIONAL DATA
400438494	DEVIATED DRILLING PLAN
400438495	MULTI-WELL PLAN
400438496	WELL LOCATION PLAT
400440035	EXCEPTION LOC REQUEST
400440036	PROPOSED SPACING UNIT

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. LGD comment addressed (see BMP's on form 2A); no public comment received.	7/22/2013 10:11:11 AM
LGD	Please see concerns from neighbors submitted with other wells at this location.	7/9/2013 8:55:48 AM
Permit	ok to pass.	6/28/2013 1:23:33 PM
Permit	Operator requests approval of a Rule 318Ac exception location: Wellhead is to be located more than 50' from an existing well location. Request and waiver attached.	6/28/2013 1:22:54 PM
Permit	Passed completeness	6/28/2013 6:11:54 AM
Permit	Some buildings appear to be less than 350 feet away.	6/28/2013 6:09:07 AM
Permit	Back to draft for cert letter and proposed spacing unit map; no 2A in related forms tab, and description of unit is incorrect according to plat.	6/25/2013 10:39:41 AM
Permit	REturned to draft: Well is in High Density area. Building @ 30' is within 350' setback.	6/18/2013 3:11:00 PM

Total: 8 comment(s)

BMP

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