

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Date Received:

TYPE OF WELL OIL GAS COALBED OTHER _____

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refiling
Sidetrack

Well Name: ASHER Well Number: 22-4

Name of Operator: SOVEREIGN OPERATING COMPANY LLC COGCC Operator Number: 10383

Address: 475 17TH STREET #1200

City: DENVER State: CO Zip: 80202

Contact Name: STEPHANIE CLASEN Phone: (303)297-0347 Fax: ()

Email: SCLASEN@BSEGLLC.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20110169

WELL LOCATION INFORMATION

QtrQtr: NWSE Sec: 4 Twp: 1S Rng: 68W Meridian: 6

Latitude: 39.991270 Longitude: -105.004820

Footage at Surface: 1670 feet FNL/FSL FSL 2125 feet FEL/FWL FEL

Field Name: WATTENBERG Field Number: 90750

Ground Elevation: 5232 County: BROOMFIELD

GPS Data:
Date of Measurement: 03/21/2012 PDOP Reading: 1.9 Instrument Operator's Name: MARC WOODARD

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
<u>1709</u>	FNL	<u>1955</u>	FWL	<u>1709</u>	FNL
					<u>1955</u>
					<u>FWL</u>
Sec: <u>4</u>	Twp: <u>1S</u>	Rng: <u>68W</u>	Sec: <u>4</u>	Twp: <u>1S</u>	Rng: <u>68W</u>

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.)

T1S-R68W
SEC 4: LOT 2, S/2NW (M&B, LOTS TOTALLING 135 ACRES M/L.)

Total Acres in Described Lease: 135 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: 650 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 2055 Feet
Building Unit: 2055 Feet
High Occupancy Building Unit: 3875 Feet
Designated Outside Activity Area: 3870 Feet
Public Road: 1670 Feet
Above Ground Utility: 1670 Feet
Railroad: 528 Feet
Property Line: 1670 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 Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 1285 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 650 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.)
J SAND	JSND	467-8	160	NW/4
NIOBRARA-CODELL	NB-CD	467-8	160	NW/4

DRILLING PROGRAM

Proposed Total Measured Depth: 9016 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1285 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

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: 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? No

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	12+1/4	8+5/8	24	0	1100	550	1100	0
1ST	7+7/8	4+1/2	11.6	0	9016	525	9016	7800

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 Attachments were previously submitted with the original APD. No changes have been made to the drilling plans that would affect the attachments.
A notice of our intent to refile this permit has been sent to the landowner.
There have been no changes to the location.
I certify that there have been no changes on land use or lease description.
The well will be drilled from an existing pad.
There will be no additional surface disturbance.
No pit will be used.
The location does not require a variance from any of the rules listed in Rule 306.d.(1).(A).(ii).
The location is not within a wildlife Restricted Surface Occupancy Area.

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 321510

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: STEPHANIE CLASEN

Title: C & R MANAGER Date: _____ Email: SCLASEN@BSEGLLC.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: _____

Expiration Date: _____

API NUMBER

05 014 20719 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.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	1. Sovereign Operating Company will submit a Form 4 Sundry Notice for each related Oil and Gas Location. The Sundry Notices will have the enforceable Best Management Practices that were agreed to with the City and County of Broomfield. The Sundry Notices will be submitted for COGCC Director's approval prior to any construction or drilling activity on the Location. 2. Sovereign is committed to conducting our oil and gas operations in a manner consistent with our agreement with Broomfield.

Total: 1 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>

Total Attach: 0 Files

General Comments

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

Total: 0 comment(s)