

FORM
2

Rev
08/13

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:

400645373

Date Received:

09/19/2014

APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER _____

Refilling ☒

ZONE TYPE SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☒

Sidetrack ☐

Well Name: NORDSTROM

Well Number: 34-4

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: 39.991130

Longitude: -105.005010

Footage at Surface: 1621 feet FNL/FSL FSL 2178 feet FEL/FWL FEL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 5235

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 FSL 652 FEL 1956 FEL/FWL FEL 652 FEL 1956 FEL
Sec: 4 Twp: 1S Rng: 68W Sec: 4 Twp: 1S Rng: 68W

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.)

SE/4 SECTION 4, T1S, R68W

Total Acres in Described Lease: 160 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: 652 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 2000 Feet
Building Unit: 2060 Feet
High Occupancy Building Unit: 3810 Feet
Designated Outside Activity Area: 3810 Feet
Public Road: 1621 Feet
Above Ground Utility: 1621 Feet
Railroad: 5280 Feet
Property Line: 223 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: 1025 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 652 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	320	S. 4:S/2
NIOBRARA-CODELL	NB-CD	467-8	160	S. 4:SE/4

DRILLING PROGRAM

Proposed Total Measured Depth: 8796 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1025 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	1110	550	1100	0
1ST	7+7/8	4+1/2	11.6	0	8796	525	8796	7580

☒ 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.
Sovereign is committed to conducting our oil and gas operations in a manner consistent with our agreement with Broomfield.

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: 9/19/2014 Email: SCLASEN@BSEGLLC.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:  _____ Director of COGCC Date: 10/19/2014

Expiration Date: 10/18/2016

API NUMBER

05 014 20720 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

- 1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) 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.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	<p>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 for the COGCC's Form 4 Sundry Notice. The Sundry Notices will be submitted for COGCC Director's approval prior to any construction or drilling activity on the Location.</p> <p>2. Sovereign is committed to conducting our oil and gas operations in a manner consistent with our agreement with Broomfield.</p>

Total: 1 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
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400645373	FORM 2 SUBMITTED
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Total Attach: 1 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
OGLA	Operator BMP #1 updated per Broomfield and Operator request	10/16/2014 11:54:09 AM
Permit	Final Review Completed. No LGD or public comment received.	10/15/2014 2:26:19 PM
Permit	Per operator Correct Mineral lease is 160 acres. Water Sampling is 609 per Broomfield BMP. ok to pass.	10/8/2014 2:18:40 PM
Permit	Sovereign will submit a Sundry Notice for each related Oil and Gas Location. Sundry Notices will have the enforceable Best Management Practices that were agreed to with the City and County of Broomfield.	10/8/2014 2:18:39 PM
Permit	Passed Completeness	9/22/2014 10:00:49 AM

Total: 5 comment(s)