

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Date Received:
02/03/2015

TYPE OF WELL OIL GAS COALBED OTHER HORIZONTAL Refiling

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES Sidetrack

Well Name: DIAMOND T SHEEP 7-92 Well Number: 2-26H35

Name of Operator: SWN PRODUCTION COMPANY LLC COGCC Operator Number: 10396

Address: PO BOX 12359

City: SPRING State: TX Zip: 77391

Contact Name: Cheryl Rowell Phone: (832)796-7439 Fax: (832)796-8817

Email: cheryl_rowell@swn.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20110200

WELL LOCATION INFORMATION

QtrQtr: NWNW Sec: 26 Twp: 7N Rng: 92W Meridian: 6

Latitude: 40.534314 Longitude: -107.693108

Footage at Surface: 648 feet FNL/FSL FNL 911 feet FEL/FWL FWL

Field Name: WILDCAT Field Number: 99999

Ground Elevation: 6679 County: MOFFAT

GPS Data:
Date of Measurement: 10/14/2014 PDOP Reading: 1.4 Instrument Operator's Name: JOHN FLOYD

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

1220 FNL 914 FWL 699 FNL 1080 FWL

Sec: 26 Twp: 7N Rng: 92W Sec: 35 Twp: 7N Rng: 92W

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.)

See attached lease map.

Total Acres in Described Lease: 960 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: 620 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 2952 Feet
Building Unit: 2973 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 3808 Feet
Above Ground Utility: 2998 Feet
Railroad: 5280 Feet
Property Line: 911 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: 377 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 620 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Spacing Unit Application submitted to COGCC, Docket #1503-00077. On COGCC March 2015 docket.

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			

DRILLING PROGRAM

Proposed Total Measured Depth: 14442 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 377 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? Yes

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 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?

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	30	20	104	0	80	360	80	0
SURF	17+1/2	13+3/8	54.5	0	1300	726	1300	0
1ST	12+1/4	9+5/8	40	0	8200	1623	8200	1100
2ND	8+3/4	5+1/2	20	0	14442	1411	14442	6900

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 Spacing Unit Application on COGCC March 2015 Hearing Docket.
Attached Logging Exception Request letter per Rule 317.o.
This is the 2nd well on the pad. Form 2a, doc #400745961 filed to amend as a multi-well pad.

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

Location ID: 438248

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: Cheryl Rowell

Title: Sr. Staff Reg. Analyst Date: 2/3/2015 Email: cheryl_rowell@swn.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

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

No	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.
2	General Housekeeping	Fence the well site after drilling to restrict public and wildlife access. Keep well site location, the road, and the pipeline easement free of noxious weeds, liter and debris. Spray for noxious weeds, and implement dust control, as needed. Southwestern Energy Production Company (SEPCO) will not permit the release or discharge of any toxic or hazardous chemicals or chemicals or wastes on Owners' land. Construct and maintain gates where any roads used by SEPCO cross through fences on the leased premises.
3	Storm Water/Erosion Control	Use water bars and other measures to prevent erosion and non-source pollution. Implement and maintain BMP's to control storm water runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Co-locate gas and water gathering lines whenever feasible and mitigate any erosion problems that arise due to the construction of any pipeline.
4	Construction	Remove only the minimum amount of vegetation necessary for the construction of roads and facilities. Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth or vegetation. No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.
5	Interim Reclamation	Utilize only such area around each producing well as is reasonably necessary. Restore the remainder of the well site location to its original condition within a reasonable time after the completion of operations. All reseeded shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner.
6	Final Reclamation	All surface restoration shall be accomplished to the satisfaction of Owner. All reseeded shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner. Final reclamation shall be completed to the reasonable satisfaction of the owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards.

Total: 6 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400777592	FORM 2 SUBMITTED
400784458	OPEN HOLE LOGGING EXCEPTION
400784473	DIRECTIONAL DATA
400784477	DEVIATED DRILLING PLAN
400785221	WELL LOCATION PLAT
400785650	LEASE MAP

Total Attach: 6 Files

General Comments

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

Total: 0 comment(s)