

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

TYPE OF WELL	OIL <input checked="" type="checkbox"/>	GAS <input type="checkbox"/>	COALBED <input type="checkbox"/>	OTHER _____	Refiling <input type="checkbox"/>
ZONE TYPE	SINGLE ZONE <input checked="" type="checkbox"/>	MULTIPLE ZONES <input type="checkbox"/>	COMMINGLE ZONES <input type="checkbox"/>		Sidetrack <input type="checkbox"/>

Date Received:
01/22/2016

Well Name: Gregory 0780 Well Number: 1-9H

Name of Operator: SANDRIDGE EXPLORATION & PRODUCTION LLC COGCC Operator Number: 10598

Address: 123 ROBERT S KERR

City: OKLAHOMA CITY State: OK Zip: 73102

Contact Name: Spence Laird Phone: (405)429-6518 Fax: ()

Email: slaird@sandridgeenergy.com

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 20150119

WELL LOCATION INFORMATION

QtrQtr: SWSW Sec: 9 Twp: 7N Rng: 80W Meridian: 6

Latitude: 40.585217 Longitude: -106.387759

Footage at Surface: 187 feet FNL/FSL FSL 71 feet FEL/FWL FWL

Field Name: _____ Field Number: _____

Ground Elevation: 8118 County: JACKSON

GPS Data:
Date of Measurement: 11/16/2015 PDOP Reading: 1.3 Instrument Operator's Name: RAS

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>965</u>	<u>FSL</u> <u>350</u>	<u>FWL</u>	<u>300</u>	<u>FNL</u> <u>350</u>	<u>FWL</u>
	Sec: <u>9</u> Twp: <u>7N</u> Rng: <u>80W</u>		Sec: <u>9</u> Twp: <u>7N</u> Rng: <u>80W</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.)

Township 7 North, Range 80 West of the 6th OM:
Section 4: Lot 2(41.06), Lot 3(40.80), Lot 4(40.53), SWNE, W/2SE, SESE, SW/4, S/2NW
Section 5: Lot 1(40.38), Lot 2(40.35), Lot 3(40.32), S/2NE, SE/4, E/2SW, SENW
Section 8: E/2, SW/4, E/2NW, SWNW
Section 9: All
Section 16: All
Section 17: N/2

Township 8 North, Range 80 West of the 6th PM:
Section 32: E/2SE, SWSE, SESW
Section 33: S/2 less ROW

Total Acres in Described Lease: 3664 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: 3020 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 393 Feet
Building Unit: 3944 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 5280 Feet
Above Ground Utility: 3944 Feet
Railroad: 5280 Feet
Property Line: 5280 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 proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 1860 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 300 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

The nearest permitted or completed well in the same formation is 1860' to the east. API- 05-057-06522, Janet 1-05H, has a refile APD in process for the Niobrara.

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	531-18	640	S. 9:All

DRILLING PROGRAM

Proposed Total Measured Depth: 12415 Feet

Distance from proposed wellbore to nearest existing or permitted wellbore belonging to another operator:

4175 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: ONSITE Cuttings Disposal Method: Other

Other Disposal Description:

The cuttings will be remediated onsite per COGCC rules.

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	17+1/2	13+3/8	54.5	0	1500	1083	1500	0
1ST	12+1/4	9+5/8	40	0	5600	1320	5600	0
2ND	8+3/4	5+1/2	20	0	12415	1336	12415	5350

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 - TD'd surface hole at 1500' with 17.5" hole. When making wiper trip we tagged up inside conductor. We made multiple wiper trips and reamer runs through the trouble area without issues. Have tried to run 13-3/8" casing 3 times with no success. Made milling and reaming runs between each attempt. Casing will not go beyond 135'. We think casing is hanging up in parted conductor. Since we cannot get our surface casing down we would like to plug the original wellbore (Gregory 5-09H 05-057-06535) and skid the rig 15' to the east and re-drill this wellbore.
- verbal/email approval granted by Dave Andrews 1/21/2016
- Location Assessment Doc # 400654565 Location ID 439603
- well name is being changed from Gregory #5-09H to Gregory 0780 1-9H

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

Location ID: 439603

Is this application being submitted with an Oil and Gas Location Assessment application? Yes

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

Signed: _____ Print Name: Tiffany Golay

Title: Sr Regulatory Technician Date: 1/22/2016 Email: tgolay@sandridgeenergy.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: 1/23/2016

Expiration Date: 01/22/2018

API NUMBER
05 057 06539 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.

<u>COA Type</u>	<u>Description</u>
	<p>1) Operator shall comply with the most current revision of the Northwest Notification Policy.</p> <p>2) Operator shall provide cement coverage from the intermediate casing shoe (9+5/8" First String) to a minimum of 200' above the surface casing shoe to provide full isolation of the Coalmont Formation. Verify intermediate casing cement coverage with a cement bond log.</p>

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Open-hole Resistivity Log with Gamma Ray Log will be run from the kick-off point into the surface casing. A Cement Bond Log with Gamma-Ray will be run on production casing, or on intermediate casing if a production liner is run. The horizontal portion of the wellbore will be logged with a measured-while-drilling gamma-ray log. The Form 5, Completion Report, will list all logs run and have those logs attached.

Total: 1 comment(s)

Applicable Policies and Notices to Operators

Policy
NW Colorado Notification Policy. http://cogcc.state.co.us/documents/reg/Policies/nw_notification_procedures.pdf
Notice Concerning Operating Requirements for Wildlife Protection. http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400976276	FORM 2 SUBMITTED
400976346	CORRESPONDENCE
400976411	WELL LOCATION PLAT
400976415	DEVIATED DRILLING PLAN
400976875	DIRECTIONAL DATA

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	<p>Operator submitted Xcel Directional Template.</p> <p>Operator corrected distance to building from 408' to 393'. Final Review complete.</p> <p>Operator corrected spacing order.</p> <p>Operator added open hole logging BMP.</p> <p>Operator corrected distance to nearest well permitted or completed in same formation from 4155' to 1860'. Refile APD for API 057-06522 is in process.</p> <p>Operator corrected distance to unit boundary from 600' to 300'.</p> <p>Corrected BHL footages based on attached revised well location plat and sundry #400937358.</p>	1/23/2016 8:45:31 AM
Engineer	Regarding "Distance from proposed wellbore to nearest existing or permitted wellbore belonging to another operator: 4175 Feet (Including plugged wells)," the nearby offset permitted horizontal well to the north has an expired permit (Janet 1-05H, 057-06522), and it was not drilled as of 1/22/2016.	1/22/2016 5:35:56 PM

Engineer	<p>The attached Correspondence references a forthcoming "formal" approval email. An excerpt of formal approval email from Dave Andrews (COGCC) to Tyler McCullar (SandRidge) on 1/21/2016 is provided below:</p> <p>Tyler,</p> <p>This email confirms my verbal approval to proceed with plugging the surface hole and skidding the rig to drill a new hole, as discussed on the phone yesterday...Please submit documentation as described on the attached guidance for rig skids...</p> <p>Please be aware that the new hole [this proposed well] will have a different API Number when the APD is approved. The old API Number [057-06535] should only be used for forms associated with the plugged-back surface hole...</p> <p>Thanks,</p> <p>Dave</p>	1/22/2016 5:25:55 PM
Engineer	The Coalmont Formation is considered a potential freshwater resource in the North Park Basin (CGS Ground Water Atlas of Colorado, 2003). The proposed surface casing setting depth of 1500' will not cover the entire Coalmont Formation, based on the operator's drilling prognosis for the offset well on the same pad, Gregory #5-09H (057-06535), COGCC Document No. 2056182. Minimum cement isolation standards are specified in Condition of Approval #2.	1/22/2016 5:21:25 PM
Engineer	Offset water well check: COGCC evaluated offset water wells within one mile of this proposed well's surface hole location. This information was used in addition to locally-available geophysical logs and hydrogeologic information to evaluate the adequacy of the operator's proposed surface casing setting depth. The deepest water well within one mile is 150 feet.	1/22/2016 5:18:44 PM
Engineer	Offset Well Evaluation: One existing offset oil and gas well is within 1,500 feet of this wellbore, Gregory #5-09H (057-06535). The offset well does not penetrate the objective formation of this well. No mitigation required.	1/22/2016 5:16:18 PM
Engineer	Updated offset well evaluation spreadsheet for Gregory #5-09H (057-06535), which is located on the same pad as this proposed well.	1/22/2016 5:13:06 PM
Permit	<p>Corrected plugging bond id from 4559 to 20150119.</p> <p>Waiting on operator to provide directional data template for upload, bottom hole location footage correction, corrected distance to the nearest well completed or permitted in the same formation, corrected distance to the nearest unit boundary, correct spacing order and 317.p BMP.</p>	1/22/2016 10:09:22 AM
Permit	<p>Pass completeness</p> <p>LGD and public comment periods waived by COGCC Staff. Comment periods do not apply to this application for a lost hole/rig skid when drilling is in progress.</p>	1/22/2016 9:57:39 AM
Permit	Returned to draft for operator to reflect name change on attachments.	1/22/2016 9:36:50 AM

Total: 10 comment(s)