

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.)

17-7N-80W All.

Total Acres in Described Lease: 640 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: 325 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1016 Feet

Building Unit: 2467 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 1930 Feet

Above Ground Utility: 556 Feet

Railroad: 5280 Feet

Property Line: 1930 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: 5280 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 325 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Subject formations are unspaced and operator doesn't plan to produce these formations.

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
DAKOTA-LAKOTA	DK-LK			
ENTRADA	ENRD			

DRILLING PROGRAM

Proposed Total Measured Depth: 9000 Feet

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells:

Enter distance if less than or equal to 1,500 feet: _____ Feet No well belonging to another operator within 1,500 feet

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? 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: Other

Other Disposal Description:

Water-bentonite-based cuttings will be disposed of onsite per attached SandRidge WASTE MANAGEMENT PLAN (approved [06-22-16] Form 4#401062567). Oil-based cuttings will be disposed of offsite at a commercial facility.

Beneficial reuse or land application plan submitted? Yes

Reuse Facility ID: _____ or Document Number: 401062567

CASING PROGRAM

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	26	16+1/4	42	0	90	190	90	0
SURF	12+1/4	9+5/8	36	0	2400	393	2400	0
1ST	8+3/4	7	29	0	9000	1350	9000	0

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

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

Location ID: 446174

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: Laci Bevans

Title: Regulatory Analyst Date: 7/5/2016 Email: lbevans@sandridggenergy.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: 9/26/2016

Expiration Date: 09/25/2018

API NUMBER

05 057 06585 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)Operator shall comply with the most current revision of the Northwest Notification Policy. 2) Operator shall provide cement coverage from the production casing shoe (7" First String) to a minimum of 200' above the surface casing shoe to provide full isolation of the Coalmont Formation. Verify production casing cement coverage with a cement bond log.
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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 TD 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 Form 5, Completion Report, will list all logs run and have those logs attached.

Total: 1 comment(s)

Data retrieval failed for the subreport 'Int'Believ_NTC' located at: \\Dnr\DonSterling\5FarmReport\believ_ntc.rdl. Please

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2107928	WASTE MANAGEMENT PLAN
401070741	FORM 2 SUBMITTED
401071204	SURFACE AGRMT/SURETY
401071207	DRILLING PLAN
401071227	WELL LOCATION PLAT

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review is complete. Added waste management comment from 2A and changed Cuttings Disposal Method to OTHER to match 2A.	9/22/2016 10:42:27 AM
Permit	Passes initial permitting review.	9/21/2016 8:45:14 AM
Engineer	<p>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 135 feet.</p> <p>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 2400' will not cover the entire Coalmont Formation, based on the operator's drilling prognosis in the drilling plan. Minimum cement isolation standards are specified in Condition of Approval #2.</p> <p>Removed distance to well owned by another operator and checked no well belonging to another operator within 1,500 feet per operator.</p> <p>Offset Well Evaluation: Existing offset oil and gas wells within 1,500 feet of this wellbore meet standards. No mitigation required. Unchecked "No offset wells within 1500 feet" per operator. Offset well evaluation spreadsheet not required for this vertical well.</p>	8/17/2016 4:13:23 PM
Permit	Passes completeness.	3/5/2016 2:46:20 PM
Permit	<p>Returned to draft.</p> <p>1.) Why is "The minerals beneath this oil & gas location will be developed by this well" marked as "Yes" if this is a strat test?</p> <p>2.) Please list all objective formations. The Spacing order, unit acreage, & Unit Configuration are not required for a strat test well.</p> <p>3.) Was this well included in the approved cuttings disposal sundry# 401062567?</p>	7/27/2016 2:56:33 PM
Permit	<p>1.) Distance to nearest unit boundary from completed portion of the wellbore is incorrect.</p> <p>2.) Distance from completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation is incorrect.</p> <p>3.) Is the acreage correct for the signed lease?</p> <p>4.) The approved Form 2A#401033255 was not approved for any wells to be located on the pad. The Surface & Minerals tab on the proposed Form 2 does not match the approved Form 2A .Is there an amended Form 2A in draft?</p> <p>5.) The Drilling Plan denoted the use of OBM but the Drilling & Waste Plans tab indicates "NO".</p> <p>6.) Is the distance from completed portion of wellbore to nearest lease line of described lease correct?</p>	7/11/2016 7:48:23 AM
Permit	<p>Returned to draft:</p> <p>-- missing Rule 317.p Open Hole Logging BMP</p> <p>-- missing total acres in described lease and distance from completed portion of wellbore to nearest lease line</p>	7/6/2016 10:17:59 AM

Total: 7 comment(s)