

FORM

2

Rev  
08/16

## 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:

401255483

## APPLICATION FOR PERMIT TO:

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

Date Received:

06/12/2017

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER \_\_\_\_\_Refiling ☐ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☐

Well Name: Boomerang

Well Number: 13N-6B-M

Name of Operator: SRC ENERGY INC

COGCC Operator Number: 10311

Address: 1675 BROADWAY SUITE 2600

City: DENVER State: CO Zip: 80202

Contact Name: Erin Ekblad

Phone: (720)616.4319

Fax: (720)616.4301

Email: eekblad@syrginfo.com

## RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20090043

## WELL LOCATION INFORMATION

QtrQtr: NENW Sec: 5 Twp: 5N Rng: 66W Meridian: 6

Latitude: 40.433167

Longitude: -104.803577

Footage at Surface: 1451 Feet FNL/FSL FNL 2327 Feet FEL/FWL FWL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 4769

County: WELD

GPS Data:

Date of Measurement: 03/01/2017 PDOP Reading: 2.1 Instrument Operator's Name: Rob Wilson

If well is ☐ Directional ☒ Horizontal (highly deviated) submit deviated drilling plan.
 Footage at Top of Prod Zone: FNL/FSL FNL/FWL Bottom Hole: FNL/FSL FNL/FWL  
 1639 FNL 2487 FWL 1572 FNL 150 FWL  
 Sec: 5 Twp: 5N Rng: 66W Sec: 6 Twp: 5N Rng: 66W

## LOCATION SURFACE &amp; MINERALS &amp; RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ IndianThe 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: Surface Use Agreement

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 4 North, Range 66 West, 6th P.M. Section 3: SW/4NW/4; S/2SW/4; NE/4SW/4; S/2SE/4 Section 5: W/2 Lot 1 (NW/4NE/4); Lot 2 (N/2NW/4) Section 7: S/2NE/4 Section 9: NW/4; N/2SW/4; SE/4SW/4; SE/4 Section 17: SE/4SE/4; S/2NE/4SE/4 Township 5 North, Range 66 West, 6th P.M. Section 3: SW/4; S/2NE/4 Section 5: Lot 2 (N/2NW/4); S/2NW/4; S/2SW/4SE/4 Section 7: Lots 1 and 2 (W/2W/2); E/2W/2; SE/4 Section 9: SE/4SE/4; S/2NE/4SE/4 Section 15: NW/4; SE/4; SW/4NE/4 Section 17: W/2NW/4; SW/4 Section 19: Lots 1 and 2 (W/2W/2); E/2W/2; SE/4 Section 21: S/2SW/4; NW/4SW/4 Section 23: S/2; SW/4NE/4 Section 27: NW/4; S/2 Section 29: SE/4; S/2NE/4 Section 31: Lots 1 and 2 (W/2W/2); E/2W/2; SE/4 Township 5 North, Range 67 West, 6th P.M. Section 1: Lot 2 (N/2NE/4); S/2NW/4SW/4; SW/4NE/4 Section 25: NW/4; S/2

See attached Mineral Lease Map.

Total Acres in Described Lease: 5681 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: 0 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1143 Feet  
Building Unit: 1338 Feet  
High Occupancy Building Unit: 3351 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 1464 Feet  
Above Ground Utility: 260 Feet  
Railroad: 5280 Feet  
Property Line: 311 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: 165 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 1096 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

## SPACING & FORMATIONS COMMENTS

Spacing Unit: 5N-66W Sec. 5: NW, W2NE; Sec. 6: N2 5N-67W Sec 1: E2NE

## 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		654	GWA

## DRILLING PROGRAM

Proposed Total Measured Depth: 15460 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: 230 Feet ☐ No well belonging to another operator within 1,500 feet

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H<sub>2</sub>S 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 318A

## 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
CONDUCTOR	24	16	65	0	40	35	40	0
SURF	13+1/2	9+5/8	36	0	1750	531	1750	0
1ST	8+1/2	5+1/2	20	0	15460	1924	15460	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

The acreage was calculated using Title Opinions from our Attorneys. They take into account all official surveys that become record which may add or, in some cases, reduce a quarter/quarter from the standard 40.00 acres.

In Spacing Tab, distance proposed wellbore to offset same formation is 165 feet to Boomerang 33C-6-M using Plan View Map Measurement. In Drilling Tab, distance proposed wellbore to another operator is 230 feet to WIEDEMAN #18-5 using Anti-Collision Report.

Synergy has obtained written permission from the surface owner by way of Surface Use Agreement (SUA). The Surface Use Agreement has waivers for Rule 318A.a & 318A.c. See page 6, Section 9 (a).

Please note no Waiver required from Noble for following wells based on Anti-Collision Report: Wiedeman 22-5, Wiedeman 25-5, Wiedeman 5-5, & Wiedeman 6-5.

This application is in a Comprehensive Drilling Plan \_\_\_\_\_ No \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: \_\_\_\_\_

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: Erin Ekblad \_\_\_\_\_

Title: Manager Regulatory Affair \_\_\_\_\_ Date: 6/12/2017 \_\_\_\_\_ Email: eekblad@syrginfo.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: 9/7/2017 \_\_\_\_\_

Expiration Date: 09/06/2019 \_\_\_\_\_

### API NUMBER

05 123 45391 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

	Bradenhead tests shall be performed and reported according to the following schedule and Form 17 submitted within 10 days of each test: 1) Within 60 days of rig release and prior to stimulation or 2) If a delayed completion, 6-7 months after rig release and prior to stimulation. 3) Within 30 days after first production, as reported on Form 5A.
	1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU (Spud Notice), for the first well/activity on the pad and provide 48 hour spud notice for all subsequent wells drilled on the pad. 2) Comply with Rule 317.j and provide cement coverage from the end of production casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
	Operator acknowledges the proximity of the following non-operated listed wells: Operator agrees to: provide mitigation option 1 or 2 (per the DJ Basin Horizontal Offset Policy) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OFFSET MITIGATION COMPLETED") for the remediated wells, referencing the API number of the proposed horizontal well(s) stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of these wells.  PSC J 5-11 (API NO 123-19579)FRAKER 1 (API NO 123-11873) ROTHE 1-11 (API NO 123-18428)

## Best Management Practices

No	BMP/COA Type	Description
1	Planning	604.c.(2)J.i Blowout Prevention Equipment ("BOPE"): A double ram and annular preventer will be used during drilling. Stabbing valves shall be installed in the event of reverse circulation and shall be prior tested with low and high pressure fluid.
2	Planning	604.c.(2)J.ii Backup stabbing valves be required on well servicing operations during reverse circulation. Valves shall be pressure tested before each well servicing operation using both low-pressure air and high-pressure fluid.
3	Emissions mitigation	604.c.(2)C.i. Green Completions - Emission Control System: Test separators and associated flow lines and sand traps shall be installed on-site to accommodate green completions techniques pursuant to COGCC Rules. The flowback gas shall be sold or shall be captured and combusted with an Emissions Control Device (ECD), which will be installed and kept in operable condition for least the first 90-days of production pursuant to CDPHE rules. This ECD shall have an adequate capacity for 1.5 times the largest flowback within a 10 mile radius, and will be piped to other or permanent equipment and shall be provided with the equipment needed to maintain combustions where non-combustible gases are present. There is a sales line available, Synergy plans to turns to sales as soon as possible.
4	Drilling/Completion Operations	RULE 604.c.I: Upon initial rig-up and at least once every thirty (30) days during drilling operations thereafter, pressure testing of the casing string and each component of the blowout prevention equipment including flange connections shall be performed to seventy percent (70%) of working pressure or seventy percent (70%) of the internal yield of casing, whichever is less. Pressure testing shall be conducted and the documented results shall be retained by the operator for inspection by the Director for a period of one (1) year. Activation of the pipe rams for function testing shall be conducted on a daily basis when practicable.
5	Drilling/Completion Operations	604.c.(2)L. Closed chamber drill stem tests shall be allowed. All other drill stem tests shall require approval by the Director. None planned for this well.
6	Drilling/Completion Operations	604.c.(2).O. Drilling and Completion-All loadlines shall be bullplugged or capped.
7	Drilling/Completion Operations	604.c.(2)B.i Operator will be utilizing a closed loop system.
8	Drilling/Completion Operations	One of the first wells drilled on the pad will be logged with Cased hole Pulsed Neutron Log with Gamma Ray Log from the kick-off point to into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The horizontal portion of every well will be logged with a measured while-drilling gamma-ray log. The Form 5, Completion Report, for each well on the pad will list all logs run in that well and have those logs attached. The Form 5 for each well shall clearly state "No open-hole logs were run" and shall reference the Rule 317.p Exception granted for the well.
9	Drilling/Completion Operations	Operator will comply with COGCC policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg area dated May 29, 2012.
10	Drilling/Completion Operations	Anti-collision: Operator will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators prior to drilling.

Total: 10 comment(s)

## Applicable Policies and Notices to Operators

Policy
Notice Concerning Operating Requirements for Wildlife Protection. <a href="http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf">http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf</a>
Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area. <a href="http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf">http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf</a>

## Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401255483	FORM 2 SUBMITTED
401256786	DIRECTIONAL DATA
401256787	DEVIATED DRILLING PLAN
401256788	OTHER
401256792	WELL LOCATION PLAT
401300079	OffsetWellEvaluations Data
401300080	SURFACE AGRMT/SURETY
401300085	PROPOSED SPACING UNIT
401300094	MINERAL LEASE MAP
401301832	OPEN HOLE LOGGING EXCEPTION
401301834	EXCEPTION LOC REQUEST
401398006	OFFSET WELL EVALUATION

Total Attach: 12 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	09/06/2017
Engineer	Offset Wells Evaluated	08/31/2017
Permit	Per operator corrected distance to public road. Permitting Review Complete.	08/07/2017
Permit	The Surface Use Agreement has waivers for Rule 318A.a & 318A.c. See page 6, Section 9 (a). Operator requested Exception to Open Hole Logging Rule 317.p. See attached. (Operator sent copy of triple combo log run in for the Wiedeman A-5-3-NBHZ (API# 123-40064) in an email. The log will be submitted on the Form 5 as part of a batch submission under Synergy's global settlement AOC. COGCC has agreed to use the log for the Open Hole Logging exception.) ON HOLD: requesting corrected distance to public road.	08/04/2017
Permit	Passed Completeness.	06/21/2017

Total: 5 comment(s)