

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:  
401553817

APPLICATION FOR PERMIT TO:

Drill       Deepen       Re-enter       Recomplete and Operate

Date Received:  
03/19/2018

TYPE OF WELL OIL  GAS  COALBED  OTHER \_\_\_\_\_  
ZONE TYPE SINGLE ZONE  MULTIPLE ZONES  COMMINGLE ZONES

Refiling   
Sidetrack

Well Name: Bost Farm Well Number: 4C-11-L  
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@srcenergy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20090043

WELL LOCATION INFORMATION

QtrQtr: NWNW Sec: 7 Twp: 5N Rng: 66W Meridian: 6  
Latitude: 40.417862 Longitude: -104.828363

Footage at Surface: 1335 Feet FNL 1121 Feet FWL

Field Name: WATTENBERG Field Number: 90750  
Ground Elevation: 4878 County: WELD

GPS Data:  
Date of Measurement: 06/15/2017 PDOP Reading: 1.2 Instrument Operator's Name: Michael Hernandez

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  
575 FNL 150 FEL 526 FNL 460 FWL  
Sec: 12 Twp: 5N Rng: 67W Sec: 11 Twp: 5N Rng: 67W

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: applicant is owner

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 Mineral Lease Map and see below:

4N-66W

3: SE/4 NW/4, S/2 SW/4, NE/4 SW/4, S/2 SE/4  
5: W/2 Lot 1 (NW/4 NE/4) (39.03), Lot 2 (N/2NW/4) (78.07)  
7: S/2NE/4  
9: NW/4, N/2 SW/4, SE/4 SW/4, SE/4  
17: SE/4 SE/4, S/2 NE/4 SE/4

5N-66W

3: SW/4, S/2 NE/4  
5: Lot 2 (N/2 NW/4) (83.33), S/2 NW/4, SW/4, SW/4 SE/4  
7: Lots 1 and 2 (W/2 W/2) (158.48), E/2 W/2, SE/4  
9: SE/4 SE/4, S/2 NE/4 SE/4  
15: NW/4, SE/4, SW/4 NE/4  
17: W/2 NW/4, SW/4  
19: Lots 1 and 2 (W/2 W/2) (160.24), E/2 W/2, SE/4  
21: S/2 SW/4, NW/4 SW/4  
23: S/2, SW/4 NE/4  
27: NW/4, S/2  
29: SE/4, S/2 NE/4  
31: Lots 1 and 2 (W/2 W/2) (160.00), E/2 W/2, SE/4

5N-67W

1: Lot 2 (N/2 NW/4) (81.44), S/2 NW/4, SW/4, SW/4 NE/4  
25: NW/4, S/2

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:	<u>1081</u> Feet
Building Unit:	<u>1100</u> Feet
High Occupancy Building Unit:	<u>5280</u> Feet
Designated Outside Activity Area:	<u>5280</u> Feet
Public Road:	<u>1104</u> Feet
Above Ground Utility:	<u>834</u> Feet
Railroad:	<u>5280</u> Feet
Property Line:	<u>517</u> 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: 01/31/2018

## 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: 164 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 Feet (Enter 5280 for distance greater than 1 mile.)

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

**SPACING & FORMATIONS COMMENTS**

5N-66W, 7: All; 8: All; 5N-67W 11: N2; 12: All  
Codell

**OBJECTIVE FORMATIONS**

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CODELL	CODL	407-2488	2250	Sec 7, 8, 11, 12

**DRILLING PROGRAM**

Proposed Total Measured Depth: 17409 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: 91 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 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	17409	2150	17409	

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 Wellbore does not cross the lease described but is in the DSU.

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 Drilling Tab, distance proposed wellbore to another operator is 91 feet to Skyway 4-11 (API 05.123.26484) using Anti-Collision Report. In Spacing Tab, distance proposed wellbore to offset same formation is 164 feet to Bost Farm 4N-11B-L using Plan View Map measurement.

Lot 2 in the NW 1/4 is greater than 40 acres, so the SHL is listed as if the Qtr were divided into QtrQtr. Also, since SRC Energy is the Surface owner of this location, we are waiving ourselves from 318A.a. and 318A.c.

Attached signed stimulation consent from Noble Energy for the folling wells Skyway 3-11 ( API 05.123.26485), Skyway 4-11 (API 05.123.26484) & Detienne 1-12 (API 05.123.25533). SRC provided an Anti-Collision Notice for the UPRC7-4H6 (API 05.123.18152) prior to submission of this application as per Anti-Collision Report our nearest productive interval is 742 feet away so no stimulation consent required for this well.

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: 3/19/2018 Email: EEKBLAD@SRCENERGY.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: 8/24/2018

Expiration Date: 08/23/2020

**API NUMBER**

05 123 47658 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**

	This Permit to Drill is approved subject to all the BMPs and COAs on the most recently approved Form 2A and any subsequently approved Form 4 for the Oil and Gas Location. The most recently approved Form 2A and any subsequent Form 4s containing applicable COAs for this location shall be posted onsite during construction, drilling, and completions operations.
	Operator acknowledges the proximity of the 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") stating that appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well. 05-123-18152, UPRC 7-4H6 05-123-18153, UPRC 7-5H6 05-123-22819, NAPOLEON J 7-6 05-123-11504, GENESIS 3 05-123-11483, WARREN 10-1 05-123-20575, PHILLIPS 1 05-123-11972, BORESEN 1
	Operator acknowledges the proximity of the 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") stating that appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well. 05-123-18430, SWAFFORD 11-11 05-123-18431, ARTIST 11-12
	1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU (spud notice) for the first well activity with a rig on the pad and provide 48 hour spud notice via Form 42 for all subsequent wells drilled on the pad. 2) Comply with Rule 317.j. and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log. 3) Oil-based drilling fluid is to be used only after all fresh water aquifers are covered.
	Bradenhead tests shall be performed according to the following schedule and the Form 17 submitted within 10 days of each test: 1) Within 60 days of rig release and prior to stimulation and 2) If a delayed completion, 6 months after rig release and prior to stimulation. 3) Within 30 days after first production, as reported on Form 5A. If a bradenhead test reports a surface casing pressure greater than 200 psig stimulation is not allowed until the Engineering Supervisor has been consulted.

## 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	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.
4	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.
5	Drilling/Completion Operations	317.p One of the first wells drilled on the pad will be logged with Open Hole Resistivity Log and 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 and have those logs attached. The Form 5 for a well without open-hole logs shall clearly state "No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run.
6	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.
7	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: 7 comment(s)

### Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.  
[http://cogcc.state.co.us/documents/reg/Policies/Wildlife\\_Notice.pdf](http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf)

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.  
<http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf>

### Attachment Check List

Att Doc Num	Name
401553817	FORM 2 SUBMITTED
401565691	DIRECTIONAL DATA
401565693	DEVIATED DRILLING PLAN
401565694	OTHER
401565695	WELL LOCATION PLAT
401577361	OffsetWellEvaluations Data
401578608	STIMULATION SETBACK CONSENT
401578618	MINERAL LEASE MAP
401578677	EXCEPTION LOC REQUEST

Total Attach: 10 Files

**General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>
Permit	Permitting review complete, passed Final Review.	08/20/2018
Permit	Corrected Spacing Order Number to 407-2488. Corrected Distance From Completed Portion of Wellbore to 460 ft. Changed unit configuration and remove unnecessary comments.	08/06/2018
Engineer	Emailed COAs for mitigation, waiting on operator response.	05/18/2018
LGD	<p>The City of Greeley is reviewing an application for local land use approval from the applicants for this proposed oil and gas facility (Planning File No. USR 17:17).The City respectfully requests that the State withhold approval of any State permit until the operator successfully receives local land use approval, in this instance a Use by Special Review.</p> <p>Review comments have been provided to the operator, and discussions are on-going. Comments of note include:</p> <ul style="list-style-type: none"> <li>•Areas of Ecological Significance – The proposed site is located in Areas of Ecological Significance as identified by the City of Greeley. Staff is aware of known raptors in the area. A Biologist Report will be required to identify potential impacts and mitigation measures.</li> <li>•Landscaping – The applicant will be required to screen the site and buffer from adjacent residential development.</li> <li>•Transportation – The applicant will be required to extend any stubbed streets through the development; this includes 12th/14th Street, identified as a collector.</li> </ul> <p>Please contact City staff for a copy of the review comments and latest working design used as part of review.</p> <p>If the COGCC does not withhold approval, the City then requests that the State application be approved with the condition that the 2A Permit be subsequently formally amended to incorporate any site and/or operational standards that gets finalized through the local Use by Special Review approval.The City believes this deference is consistent with, and in the spirit of, the standing Memorandum of Understanding between the City of Greeley and the COGCC, and at the same time the City acknowledges the State's right to determine areas of operational conflict that would otherwise prohibit the incorporation of such standards into an Amended Form 2A Permit.</p> <p>City of Greeley LGD Comments</p> <p>Brad Mueller</p> <p>Brad.Mueller@greeleygov.com</p> <p>(970)350-9786</p>	03/29/2018
Permit	Passed Completeness.	03/27/2018

Total: 5 comment(s)