

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:
401623882
(SUBMITTED)

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Date Received:

TYPE OF WELL OIL GAS COALBED OTHER _____ Refiling
ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES Sidetrack

Well Name: Chalk Well Number: 39N-35C-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@srcenergy.com

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 20090043

WELL LOCATION INFORMATION
QtrQtr: SWNE Sec: 26 Twp: 6N Rng: 66W Meridian: 6
Latitude: 40.460184 Longitude: -104.742143
Footage at Surface: 2331 Feet FNL/FSL FNL 2031 Feet FEL/FWL FEL
Field Name: WATTENBERG Field Number: 90750
Ground Elevation: 4696 County: WELD
GPS Data:
Date of Measurement: 07/07/2017 PDOP Reading: 1.5 Instrument Operator's Name: Preston Knutsen
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 FEL/FWL
2164 FSL 85 FEL 1388 FSL 147 FEL
Sec: 26 Twp: 6N Rng: 66W Sec: 35 Twp: 6N Rng: 66W

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: No
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 below:

T6N-R66W Section 26: W/2SE/4; containing 80 acres.

Also that part of the E/2 of the SE/4 lying N of County Road 64; except beginning south 89°18' E 25' from the SW corner of the NE/4 of the SE/4; thence, N 0° 4' E 280.26'; thence N 68° 4' E 191.81'; thence S 0°32' E 298.93'; thence S 0°5' W 55.87' to the S line of the NE/4 of the SE/4; thence S 0° 5' W 127.29'; thence N 0°4' E 97.88; to the beginning; also except beginning at the NE corner of the NE/4 of the SE/4; thence S along the E line 1263'; thence N 59°15' W 752'; thence Northwesterly 932.5' to point on N line of the NE/4 of the SE/4; thence E 990.5' to beginning; containing 28.5 acres.

Also part of the E/2 of the SE/4 beginning S 89°18' E 25' from the SW corner of the NE/4 of the SE/4; thence 0° 4' E 280.26'; thence N 68° 54' E 198.82'; thence S 0° 32' E 298.93'; thence S 0° 5' W 55.87' to the S line of the NE/4 of the SE/4; thence S 0° 5' W 127.29'; thence N 81° 7' W 206.58'; thence N 0° 4' E 97.88' to beginning. Also that part of the E/2 of the SE/4 lying S of the County Road 66 except the E/2 of the SE/4 of the SE/4, also except beginning at the SW corner of the NE/4 of the SE/4; thence S 0° 4' 97.88' to point on the center line of County Road 66; thence S 81° 7' E 1409' to direct point of beginning; thence N 0° 38' E 234.61'; thence S 83° 77' E 164.02'; thence S 1° 48' W 240.23'; thence to point on the center line of the County Road 64; thence N 81° 7' W 206.58' to true point of beginning; containing 18.5 acres.

Total Acres in Described Lease: 127 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: 925 Feet
Building Unit: 979 Feet
High Occupancy Building Unit: 4450 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 1619 Feet
Above Ground Utility: 1488 Feet
Railroad: 5280 Feet
Property Line: 300 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: 05/08/2018

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: 227 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

6N-66W-26: E/2SE/4, 25: W/2SW/4; 35: E/2E/2, 36: W/2W/2

See attached PSU.

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		480	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 13839 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: 432 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	13839	1813	13839	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 Drilling Tab, distance proposed wellbore to another operator is 432 feet to MOBILE PREMIX I 35-8 (05-123-23229) using Anti-Collision Report. In Spacing Tab, distance proposed wellbore to offset same formation is 227 feet to Chalk 39N-35A-M using Plan View Map Measurement.

No Stimulation Consent required for this proposed well.

This well has a bottom-hole location beyond the unit boundary setback. The bottom of the completed interval will be within the unit boundary setback at 1487' FSL & 147' FEL at Section 35-T6N-R66W. The wellbore beyond the unit boundary setback will be physically isolated and will not be completed.

SRC is the surface owner, so no SUA is required for this Proposed Location and we waive ourselves from sending SRC a PRE-Application Notice as noted in the Pre Application Evidence letter, but all BU's have received along with LGD the Pre Application Notice.

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: _____ Email: eekblad@srcenergy.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.

COA Type

Description

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	Requirement to log well. 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	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)

Attachment Check List

Att Doc Num

Name

401696299	OffsetWellEvaluations Data
401696300	OFFSET WELL EVALUATION
401707482	MINERAL LEASE MAP
401737617	OTHER
401737622	DEVIATED DRILLING PLAN
401737624	WELL LOCATION PLAT
401737629	DIRECTIONAL DATA
401740809	EXCEPTION LOC REQUEST

Total Attach: 9 Files

General Comments

User Group

Comment

Comment Date

Stamp Upon Approval

Total: 0 comment(s)



Public Comments

No public comments were received on this application during the comment period.

