

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:

401623847

(SUBMITTED)

Date Received:

#### APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER \_\_\_\_\_

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Chalk

Well Number: 37N-2A-XR

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: 40.460187

Longitude: -104.742575

Footage at Surface: 2330 Feet FNL/FSL FNL 2151 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 FNL/FWL  
2166 FSL 1457 FEL 361 FSL 1558 FEL

Sec: 26 Twp: 6N Rng: 66W Sec: 2 Twp: 5N 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:	<u>1005</u> Feet
Building Unit:	<u>1051</u> Feet
High Occupancy Building Unit:	<u>4363</u> Feet
Designated Outside Activity Area:	<u>5280</u> Feet
Public Road:	<u>1653</u> Feet
Above Ground Utility:	<u>1550</u> Feet
Railroad:	<u>5280</u> Feet
Property Line:	<u>300</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: 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: 72 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 361 Feet (Enter 5280 for distance greater than 1 mile.)

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

## SPACING & FORMATIONS COMMENTS

6N-66W-26: SE/4, 35: E/2

5N-66W-2: E/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		835	GWA

## DRILLING PROGRAM

Proposed Total Measured Depth: 19873 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: 75 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	19873	2475	19873	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

Attached Signed Stimulation Consent from Noble for well within 150 feet:

MOBILE PREMIX I 35-17 05-123-23233

In Drilling Tab, distance proposed wellbore to another operator is 75 feet to MOBILE PREMIX I 35-17 (API 05-123-23233) using Anti-Collision Report. In Spacing Tab, distance proposed wellbore to offset same formation is 72 feet to MOBILE PREMIX I 35-17 using Plan View Map Measurement.

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.

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 460' FSL and 1558' FEL of Section 2-T5N-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	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

401696284	OffsetWellEvaluations Data
401696287	OFFSET WELL EVALUATION
401707426	MINERAL LEASE MAP
401737515	DIRECTIONAL DATA
401737527	DEVIATED DRILLING PLAN
401737531	OTHER
401737532	WELL LOCATION PLAT
401738351	STIMULATION SETBACK CONSENT

401740815	EXCEPTION LOC REQUEST
401741239	PROPOSED SPACING UNIT

Total Attach: 10 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
		Stamp Upon Approval

Total: 0 comment(s)



## Public Comments

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

