



SRC ENERGY

January 7, 2019

Ms. Julie Murphy
COGCC Director
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

Re: SRC Energy's Exception Request to Order 407-2436

Dear Director Murphy,

I - Introduction

On April 30, 2018, the Commission approved SRC Energy's application for a 2566 acre drilling and spacing unit as Order 407-2436

SRC submitted, and desires approval of, the Form 2s for 28 Sanford wells to be located in the northern portion of the approved drilling and spacing unit.

II - Exception Request

The approved order has the following language under bullet 2 of the "Order" section (page 3):

"The productive interval of the horizontal wellbore shall be no closer than 150 feet from the western boundary of the unit, no closer than 460 feet from the eastern, northern and southern boundaries of the unit, and no closer than 150 feet from the productive interval of any other wellbore located in the unit, unless the Director grants an exception."

Because of this, SRC Energy has two proposed Sanford wells that are not in compliance with the approved order because the wells are proposed to be less than 150 feet from each other.

Specifically, the productive interval encroachment issues are:

- The Sanford 8C-27-XR (Doc #40874278) and the Sanford 41N-27C-XR (Doc #401874272) wells are 141 feet apart.

All two of these wells identified above will be drilled, operated, and owned by SRC Energy. If you have any questions, please contact me at any time.


Erin Ekblad
Manager of Regulatory Affairs