

FORM  
2  
Rev  
12/05

State of Colorado  
Oil and Gas Conservation Commission  
1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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Document Number:  
400150008  
Plugging Bond Surety  
20100117

APPLICATION FOR PERMIT TO:

1.  Drill,  Deepen,  Re-enter,  Recomplete and Operate

2. TYPE OF WELL

OIL  GAS  COALBED  OTHER \_\_\_\_\_  
SINGLE ZONE  MULTIPLE ZONE  COMMINGLE ZONE

Refiling   
Sidetrack

3. Name of Operator: SUNDANCE ENERGY INC 4. COGCC Operator Number: 10340

5. Address: 380 INTERLOCKEN CRESCENT - STE #601  
City: BROOMFIELD State: CO Zip: 80021

6. Contact Name: Kallasandra Moran Phone: (303)928-7128 Fax: (303)962-6237  
Email: kmoran@petro-fs.com

7. Well Name: Schell Well Number: 42-6

8. Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

9. Proposed Total Measured Depth: 8126

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 6 Twp: 3N Rng: 67W Meridian: 6  
Latitude: 40.262120 Longitude: -104.927550

Footage at Surface: 195 feet FNL 1180 feet FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4916 13. County: WELD

14. GPS Data:

Date of Measurement: 03/23/2011 PDOP Reading: 1.8 Instrument Operator's Name: LK Stevenson / PFS

15. 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 \_\_\_\_\_  
1980 FNL 660 FEL 1980 FNL 660 FEL  
Sec: 6 Twp: 3N Rng: 67W Sec: 6 Twp: 3N Rng: 67W

16. Is location in a high density area? (Rule 603b)?  Yes  No

17. Distance to the nearest building, public road, above ground utility or railroad: 150 ft

18. Distance to nearest property line: 223 ft 19. Distance to nearest well permitted/completed in the same formation: 2672 ft

20. LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Niobrara-Codell	NB-CD	407-87	80	E/2NE

21. Mineral Ownership:  Fee  State  Federal  Indian Lease #: \_\_\_\_\_

22. Surface Ownership:  Fee  State  Federal  Indian

23. Is the Surface Owner also the Mineral Owner?  Yes  No Surface Surety ID#: \_\_\_\_\_

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease?  Yes  No

23b. If 23 is No  Surface Owners Agreement Attached or  \$25,000 Blanket Surface Bon  \$2,000 Surface Bond  \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):  
NE/4 of Sec. 6, T3N, R67W, 6th PM

25. Distance to Nearest Mineral Lease Line: 150 ft 26. Total Acres in Lease: 78

### DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated?  Yes  No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling?  Yes  No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling?  Yes  No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)?  Yes  No

31. Mud disposal:  Offsite  Onsite **If 28, 29, or 30 are "Yes" a pit permit may be required.**

Method:  Land Farming  Land Spreading  Disposal Facility Other: \_\_\_\_\_

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+1/4	8+5/8	24	0	650	500	650	0
1ST	7+7/8	4+1/2	11.6	0	8,126	300	8,126	6,500

32. BOP Equipment Type:  Annular Preventer  Double Ram  Rotating Head  None

33. Comments • The location does NOT require a variance from any of the rules listed in Rule 306.d. (1). (A). (ii). • The location is NOT in a restricted surface occupancy area. • The location is NOT a sensitive wildlife habitat area. • The production casing Top of Cement will be 200' above the Top of Gas.

34. Location ID: \_\_\_\_\_

35. Is this application in a Comprehensive Drilling Plan ?  Yes  No

36. Is this application part of submitted Oil and Gas Location Assessment ?  Yes  No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: \_\_\_\_\_ Print Name: Kallasandra M. Moran

Title: Regulatory Analyst Date: 4/5/2011 Email: kmoran@petro-fs.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: David S. Nesline Director of COGCC Date: 4/29/2011

API NUMBER: **05 123 33461 00** Permit Number: \_\_\_\_\_ Expiration Date: 4/28/2013

**CONDITIONS OF APPROVAL, IF ANY:** \_\_\_\_\_

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.

- 1) Provide 24 hour notice of MIRU to Bo Brown at 970-397-4124 or e-mail at bo.brown@state.co.us.
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

### Attachment Check List

Att Doc Num	Name
1693985	DEVIATED DRILLING PLAN
1693988	EXCEPTION LOC WAIVERS
400150008	FORM 2 SUBMITTED
400150012	WELL LOCATION PLAT
400150014	DEVIATED DRILLING PLAN
400150016	30 DAY NOTICE LETTER
400150017	TOPO MAP

Total Attach: 7 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Received Exception Location/Twinning Request & Waiver. plg.	4/27/2011 10:21:44 AM
Permit	Received corrected Deviated Drilling Plan for NB-CD formation. plg.	4/25/2011 2:12:01 PM
Permit	ON HOLD: the Surface location is outside of a window and not close enough to twin, I will need an Exception Location Letter to the Director. Per Rule 318A.c.(2)	4/21/2011 4:23:17 PM
Permit	Changed Objective Formation from J Sand to NB-CD per KM. plg.	4/21/2011 2:16:32 PM
Permit	Back to Draft to calculate Footages Top of Prod Zone and BHL. JLV	4/5/2011 4:11:24 PM

Total: 5 comment(s)

## BMP

<u>Type</u>	<u>Comment</u>
Interim Reclamation	Utilize only such area around each producing well as is reasonably necessary. Restore the remainder of the well site location to its original condition within a reasonable time after the completion of operations. All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner.
Final Reclamation	All surface restoration shall be accomplished to the satisfaction of Owner. All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner. Final reclamation shall be completed to the reasonable satisfaction of the Owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards(BLM/COGCC).
Drilling/Completion Operations	Use a closed-loop drilling mud system to preclude the use of an earthen reserve pits when available.
Storm Water/Erosion Control	Use water bars, and other measures to prevent erosion and nonsource pollution. Implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).
Site Specific	Fence the well site after drilling to restrict public and wildlife access. Keep well site location, the road, and the pipeline easement free of noxious weeds, litter and debris. Spray for noxious weeds, and implement dust control, as needed. Sundance Energy will not permit the release or discharge of any toxic or hazardous chemicals or wastes on Owner's Land. Construct and maintain gates where any roads used by Sundance Energy cross through fences on the leased premises.
Planning	When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.
Construction	Remove only the minimum amount of vegetation necessary for the construction of roads and facilities. Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation. No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.

Total: 7 comment(s)