

**APPLICATION FOR PERMIT TO:**

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

2. TYPE OF WELL

OIL       GAS       COALBED       OTHER \_\_\_\_\_

SINGLE ZONE       MULTIPLE       COMMINGLE

Refiling   
Sidetrack

Document Number:  
400194666

PluggingBond SuretyID  
20100117

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: May Jon      Well Number: 3-5D 5

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

9. Proposed Total Measured Depth: 8000

**WELL LOCATION INFORMATION**

10. QtrQtr: SWSW      Sec: 5      Twp: 2N      Rng: 68W      Meridian: 6  
Latitude: 40.162090      Longitude: -105.034380

Footage at Surface:      521      feet      FSL      634      feet      FWL

11. Field Name: Wattenberg      Field Number: 90750

12. Ground Elevation: 4932      13. County: WELD

14. GPS Data:  
Date of Measurement: 05/25/2011      PDOP Reading: 1.9      Instrument Operator's Name: Owen McKee/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

1209      FSL      1244      FWL      1315      FSL      1333      FWL

Sec: 5      Twp: 2N      Rng: 68W      Sec: 5      Twp: 2N      Rng: 68W

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: 497 ft

18. Distance to nearest property line: 521 ft      19. Distance to nearest well permitted/completed in the same formation(BHL): 994 ft

**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.)
Codell	CODL	407-87	160	SW/4
J Sand	JSND	232-23	320	S/2
Niobrara	NBRR	407-87	160	SW/4
Sussex	SUSX	0	160	SW/4

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 Bond  \$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):  
SW/4 Section 5, T2N-R68W

25. Distance to Nearest Mineral Lease Line: 444 ft 26. Total Acres in Lease: 160

### 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	770	500	770	0
1ST	7+7/8	4+1/2	11.6	0	8,000	600	8,000	0

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. No conductor casing will be set. Closest property line is 55' west to same land owner. Next closest property line is 521' to different land owner. An E&P Waste Management Plan is in process and will be submitted under separate cover.

34. Location ID: 336191

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: 8/21/2011 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. Neslin Director of COGCC Date: 9/25/2011

<b>API NUMBER</b> 05 123 26698 00	Permit Number: _____	Expiration Date: <u>9/24/2013</u>
--------------------------------------	----------------------	-----------------------------------

**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 Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Sussex to 200' above Sussex. 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
400194666	FORM 2 SUBMITTED
400198286	DEVIATED DRILLING PLAN
400198287	PLAT
400198288	TOPO MAP
400198289	30 DAY NOTICE LETTER

Total Attach: 5 Files

**General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>
Permit	Received and processed Change of Operator effective 1/1/2011.	9/14/2011 9:12:07 AM
Permit	Requesting a Change of Operator for reference well. Corrected unit config.	8/29/2011 9:59:28 AM

Total: 2 comment(s)

## BMP

<u>Type</u>	<u>Comment</u>
Planning	When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.
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 Inc. 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 Inc. cross through fences on the leased premises.
Drilling/Completion Operations	Use a closed-loop drilling mud system to preclude the use of an earthen reserve pits when available.
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).
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.
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.
Storm Water/Erosion Control	Use water bars, and other measures to prevent erosion and non-source 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).

Total: 7 comment(s)