

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



| | | | |
|-----------------------------------|----|----|----|
| DE | ET | OE | ES |
| Document Number: 400249430 | | | |
| PluggingBond SuretyID 20110201 | | | |

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☒ GAS ☐ COALBED ☐ OTHER ☐ pilot hole
SINGLE ZONE ☐ MULTIPLE ☒ COMMINGLE ☐

Refiling ☐
Sidetrack ☐

3. Name of Operator: SOUTHWESTERN ENERGY PRODUCTION COMPANY

4. COGCC Operator Number: 10396

5. Address: 2350 N SAM HOUSTON PKWY EAST #125

City: HOUSTON State: TX Zip: 77032

6. Contact Name: Amy Johnson Phone: (281)618-7414 Fax: (281)618-2919

Email: Amy_Johnson@swn.com

7. Well Name: Ewertz Farms 1-58 Well Number: 1-26P

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

9. Proposed Total Measured Depth: 9500

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 26 Twp: 1S Rng: 58W Meridian: 6

Latitude: 39.940310 Longitude: -103.852070

Footage at Surface: 660 feet FNL/FSL 660 feet FEL/FWL FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 4875 13. County: ADAMS

14. GPS Data:

Date of Measurement: 12/17/2011 PDOP Reading: 2.7 Instrument Operator's Name: Thomas G. Carlson

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

Sec: Twp: Rng: Sec: Twp: Rng:

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: 648 ft

18. Distance to nearest property line: 660 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 12 mi

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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Atoka | ATOK | | 640 | Sec 26 |
| Cherokee | CHRK | | 640 | Sec 26 |
| Morrow | MRRW | | 640 | Sec 26 |

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):

T1S, R58W, SECTION 26 ALL

25. Distance to Nearest Mineral Lease Line: 660 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 |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| CONDUCTOR | 20+1/16 | | 84 | 0 | 40 | 30 | 40 | 0 |
| SURF | 12+1/4 | 9+5/8 | 36 | 0 | 1,000 | 260 | 1,000 | 0 |

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

33. Comments _____

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: Amy Johnson

Title: Regulatory Supervisor Date: 2/16/2012 Email: Amy_Johnson@swn.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: 2/29/2012

API NUMBER

05 001 09740 00

Permit Number: _____ Expiration Date: 2/27/2014

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 COGCC inspector Mike Hickey via e-mail at Mike.Hickey@state.co.us. Indicate Spud Notice in the subject line and provide the following information: Operator Name, Well Name and Number, API #, Spud Date, Contact Name, Contact Phone #, E-mail Address.
- 2) If completed, provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) If well is a dry hole set plugs at the following depths: 40 sks cement +/-50' above the Atoka, 40 sks cement above any DST w/ hydrocarbon show, set 60 sks cement from 50' below D Sand base to 100' above D Sand top, 40 sks cement 50' above Niobrara top, 50 sks cement ½ out, ½ in surface casing, 10 sks cement top of surface casing, cut 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole.

Attachment Check List

| Att Doc Num | Name |
|-------------|-----------------------|
| 2531921 | WAIVERS |
| 2531927 | WAIVERS |
| 400249430 | FORM 2 SUBMITTED |
| 400252442 | PLAT |
| 400252443 | TOPO MAP |
| 400252444 | SURFACE OWNER CONSENT |
| 400252445 | 30 DAY NOTICE LETTER |
| 400252945 | VARIANCE REQUEST |

Total Attach: 8 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| Permit | Exigent approval has been granted. Feb 27, 2011 | 2/29/2012 1:49:30 PM |
| Permit | Added revised waiver letters. | 2/21/2012 11:07:34 AM |
| Permit | Added conductor casing info | 2/21/2012 9:36:40 AM |
| LGD | All COGCC Rules will be enforced. Adams County has already approved the access point for this location. | 2/21/2012 8:47:34 AM |
| Permit | The form 2A contains a lease map attachment that shows the NW (162.9 acres) as the lease (this lease does not cover the complete productive portion of the horizontal) while both form 2 APD's state that southwestern has a lease for the whole section. Please provide a clear description of your leasehold surrounding the complete wellbore including any acreage within 600 feet of the wellbore. | 2/19/2012 10:05:25 AM |
| Permit | Will conductor casing be used on this well? | 2/19/2012 10:04:21 AM |
| Permit | This is the pilot APD of a pilot/lateral drilling plan. | 2/19/2012 9:43:08 AM |
| Permit | Returned to draft at operators request. | 2/17/2012 10:00:39 AM |

Total: 8 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. Southwestern Energy Production Company 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 Southwestern Energy Production Company cross through fences on the leased premises. |
| 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). |
| 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). |
| 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. |
| 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: 6 comment(s)