

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL GAS COALBED OTHER lateral
SINGLE ZONE MULTIPLE COMMINGLE

Refiling
Sidetrack

Document Number:
400252824
PluggingBond SuretyID
20110201

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: 1-26H

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

9. Proposed Total Measured Depth: 11727

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 26 Twp: 1S Rng: 58W Meridian: 6
Latitude: 39.940310 Longitude: -103.852070

Footage at Surface: FNL/FSL FNL FSL FEL/FWL FEL/FWL
660 feet 660 feet FNL FSL 660 feet 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 FNL FSL FEL/FWL FEL/FWL Bottom Hole: FNL/FSL FNL FSL FEL/FWL FEL/FWL
1260 FNL 660 FSL FWL FWL 1991 FSL 660 FWL FWL
Sec: 26 Twp: 1S Rng: 58W Sec: 26 Twp: 1S Rng: 58W

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.)
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 VOLUNTARILY POOLED UNIT

25. Distance to Nearest Mineral Lease Line: 660 ft 26. Total Acres in Lease: 640

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	16	84	0	40	30	40	0
SURF	12+1/4	9+5/8	36	0	1,000	260	1,000	0
1ST	8+3/4	5+1/2	23	0	11,727	2,200	11,727	0

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

33. Comments _____

34. Location ID: 427955

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 01

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.

If the operator intends to include drill cuttings with the bentonitic drilling fluid for land spreading and incorporation per Rule 907.d.(3), , a comprehensive waste management plan (WMP) shall be required for prior approval. WMP shall include sampling & analysis plan to verify cuttings and fluids do not exceed Table 910-1 standards prior to land application and post application. Plan shall provide location, size and ownership of application sites, written documentation of landowner approval , estimated volumes of cuttings and fluid to be applied at location, as well as locations where cuttings and fluids were generated.

- 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) 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
2531922	OTHER
2531923	WAIVERS
2531926	WAIVERS
400252824	FORM 2 SUBMITTED
400252838	30 DAY NOTICE LETTER
400252839	CONSULT NOTICE
400252842	PLAT
400252844	TOPO MAP
400252873	DIRECTIONAL DATA
400252879	DEVIATED DRILLING PLAN
400252944	VARIANCE REQUEST

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Operator submitted a plan with a sundry. Exigent approval has been granted. 2/27/2012	2/29/2012 1:43:49 PM
Engineer	Would like land spreading clarified for a lateral	2/21/2012 6:04:33 PM
Permit	Revised productive interval to only the Morrow per A. Johnson.	2/21/2012 2:00:16 PM
Permit	Added revised waiver letters	2/21/2012 11:06:54 AM
Permit	Operator attached a pooling agreement to cover the whole section.	2/21/2012 10:27:30 AM
LGD	All COGCC Rules will be enforced. Adams County has already approved the access point for this location.	2/21/2012 8:30:07 AM
Permit	On hold- The unit configuration portion of the objective tab should be left blank as should the unit acreage. requested clarification.	2/19/2012 10:31:57 AM
Permit	On hold- The lateral portion of the permit should list a single objective formation since it is usually the productive target zone of the complete length of the lateral. Please clarify which formation is the planned target or that you plan to test multiple zones with one lateral.	2/19/2012 10:18:26 AM
Permit	Will conductor casing be used on this well?	2/19/2012 10:10:28 AM
Permit	This is the lateral APD of a pilot/lateral drilling plan.	2/19/2012 10:07:57 AM
Permit	On hold -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 you leasehold surrounding the complete wellbore including any acreage within 600 feet of the wellbore.	2/19/2012 10:07:48 AM
Permit	Returned to draft. Missing field name and number. invalid bond. mineral lease does not cover bhl.	2/17/2012 9:40:52 AM

Total: 12 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
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.
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.
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).
Planning	When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.

Total: 6 comment(s)