

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400395965

Date Received:

03/28/2013

PluggingBond SuretyID

20100117

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 ☐

3. Name of Operator: SUNDANCE ENERGY INC

4. COGCC Operator Number: 10340

5. Address: 633 17TH STREET #1950

City: DENVER State: CO Zip: 80202

6. Contact Name: Jeff Reale Phone: (970)663-1448 Fax: (970)667-0046

Email: jeff@mistymountainop.com

7. Well Name: Hornung Well Number: 21-28

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

9. Proposed Total Measured Depth: 7820

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 28 Twp: 4N Rng: 68W Meridian: 6

Latitude: 40.290850 Longitude: -105.016970

Footage at Surface: 200 feet FNL 230 feet FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4902 13. County: WELD

14. GPS Data:

Date of Measurement: 03/13/2013 PDOP Reading: 2.0 Instrument Operator's Name: C.V.M.

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
661 FNL 2000 FWL 661 FNL 2000 FWL
Sec: 28 Twp: 4N Rng: 68W Sec: 28 Twp: 4N 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: 286 ft

18. Distance to nearest property line: 200 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 658 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.)
Codell/Niobrara	NB-CD	407-87	80	N/2 NW/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):

N/2 NW/4 Section 28, T4N, R67W

25. Distance to Nearest Mineral Lease Line: 661 ft

26. Total Acres in Lease: 80

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	400	650	0
1ST	7+7/8	4+1/2	11.6	0	7,820	460	7,820	3,000

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

33. Comments No conductor casing will be set

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: Jeff Reale

Title: Agent Date: 3/28/2013 Email: jeff@mistymountainop.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: Matthew Lee Director of COGCC Date: 5/18/2013

API NUMBER

05 123 37370 00

Permit Number: _____ Expiration Date: 5/17/2015

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.

Operator must meet Water Well Testing requirements as per amended Rule 318Ae(4)

- 1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 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.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400395965	FORM 2 SUBMITTED
400396017	WELL LOCATION PLAT
400396018	TOPO MAP
400396217	SURFACE AGRMT/SURETY
400396617	DEVIATED DRILLING PLAN
400396618	DIRECTIONAL DATA
400397769	DIRECTIONAL DATA
400398275	SURFACE AGRMT/SURETY
400407630	EXCEPTION LOC REQUEST
400407631	EXCEPTION LOC WAIVERS

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	5/15/2013 10:11:24 AM
Engineer	changed csg to dir plan; csg wt to known	5/7/2013 1:00:15 PM
Permit	Operator requests approval of a Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window. Request and Waiver attached. Ready to pass pending public comment 5/14/13	4/23/2013 2:04:59 PM
Permit	Received exception location waiver and request letter. Passed completeness.	4/23/2013 8:40:29 AM
Permit	Returned to draft. Requested exception location waiver and request, corrected total depth, and corrected distance to nearest lease line.	4/2/2013 9:58:42 AM
Permit	RTD: Directional data does not post Top of production zone and therefore distance to lease line appears incorrect. Well location outside the drilling window. Need exception location request letter. Need waiver unless SUA specifically allows wells in proposed location	3/29/2013 9:20:30 AM

Total: 6 comment(s)

BMP

<u>Type</u>	<u>Comment</u>