

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:

400395423

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: 11-28

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

9. Proposed Total Measured Depth: 7565

WELL LOCATION INFORMATION

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

Latitude: 40.290850 Longitude: -105.017080

Footage at Surface: 200 feet FNL 200 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 667 FWL 661 FNL 667 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: 256 ft

18. Distance to nearest property line: 200 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1333 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	7,565	460	7,565	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 37371 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.

- 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.

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

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400395423	FORM 2 SUBMITTED
400396013	WELL LOCATION PLAT
400396014	TOPO MAP
400396619	DEVIATED DRILLING PLAN
400397759	DIRECTIONAL DATA
400398273	SURFACE AGRMT/SURETY
400407626	EXCEPTION LOC REQUEST
400407627	EXCEPTION LOC WAIVERS

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	5/15/2013 9:57:56 AM
Engineer	changed csg to dir plan; changed wt to known wt	5/7/2013 12:51:41 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 2:04:46 PM
Permit	Received exception location waiver and request. Passed completeness.	4/23/2013 8:37:44 AM
Permit	Returned to draft. Requested exception location waiver and request, corrected total depth, and corrected distance to nearest lease line.	4/2/2013 9:53:01 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 8:48:40 AM

Total: 6 comment(s)

BMP

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