

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

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Document Number:

400446801

Date Received:

07/12/2013

PluggingBond SuretyID

20110182

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 ☒

3. Name of Operator: SWIFT ENERGY OPERATING LLC

4. COGCC Operator Number: 10388

5. Address: 16825 NORTHCHASE DRIVE #400

City: HOUSTON State: TX Zip: 77060

6. Contact Name: Amanda Stenjem Phone: (970)382-7256 Fax: (970)382-7259

Email: stenjem@ecosphere-services.com

7. Well Name: Waters 34-12-32 Well Number: 1H

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

9. Proposed Total Measured Depth: 6842

WELL LOCATION INFORMATION

10. QtrQtr: SWNW Sec: 32 Twp: 34N Rng: 12W Meridian: M

Latitude: 37.151270 Longitude: -108.181750

Footage at Surface: 1399 feet FNL/FSL 235 feet FEL/FWL
FNL FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 6919 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 04/23/2013 PDOP Reading: 2.2 Instrument Operator's Name: Scott Weibe

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
1289 FNL 585 FEL 908 FNL 638 FWL
Sec: 31 Twp: 34N Rng: 12W Sec: 31 Twp: 34N Rng: 12W16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 2520 ft

18. Distance to nearest property line: 235 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 14513 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.)
NIOBRARA	NBRR	545-1	643	N/2 Sec 31,32

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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 ☐ No23b. 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):

NE/4 Section 31 T34N R12W

25. Distance to Nearest Mineral Lease Line: 0 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	24+0/0	20	104	0	60	50	60	0
SURF	17+1/2	13+3/8	48	0	600	820	600	0
1ST	12+1/4	9+5/8	36	0	1450	880	1450	0
2ND	8+1/2	5+1/2	20	0	6840	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: Amanda Stenjem

Title: Permit Specialist Date: 7/12/2013 Email: stenjem@ecosphere-

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: 8/13/2013

API NUMBER

05 067 09897 01

Permit Number: _____ Expiration Date: 8/12/2015

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.

COA Type	Description
	<p>1) Provide 48 hour notice of spud via COGCC form 42</p> <p>2) Provide cement coverage of 9 5/8" OD casing from TD to surface. Verify cement coverage with Cement Bond Log.</p> <p>3) Run and submit Directional Survey from TD to kick-off point</p> <p>4) The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the well bore complies with setback requirements in Commission orders and/or rules prior to producing the well.</p> <p>5) In the event of borehole problems that require drilling a sidetrack do the following:</p> <ul style="list-style-type: none"> •Within 24 hours of occurrence and during normal business hours (8AM-5PM) •Contact, discuss, & receive approval from COGCC Regional Engineer – Mark Weems •Do not delay drilling w/o approval from COGCC Regional Engineer – Mark Weems <p>970-259-4587 off 970-749-0624 cell mark.weems@state.co.us</p> <p>6) The operator reports there are no plans to fracture stimulate the well. If plans change, the operator must discuss with & receive prior approval via form 4 Sundry Notice to frac the well from COGCC Regional Engineer – Mark Weems.</p> <p>Requirements Prior to Receiving Approval to Frac include but may not be limited to the following:</p> <p>A public meeting must be conducted by the operator to:</p> <ul style="list-style-type: none"> •Demonstrate basic hydraulic fracturing principles and practices •Present Frac model and design •Safeguards in place to ensure the protection of shallow fresh water aquifers <p>Demonstrate & report to the COGCC the:</p> <p>Offset well construction and mechanical integrity assessment Offset well pressure monitoring of production casing and Braden Head Offset PA well assessment of success in zonal fluids isolation</p> <p>Re-test the offset water wells within six (6) to twelve (12) months following a frac job</p> <ul style="list-style-type: none"> •This may be done in conjunction with or in addition to Rule 609 (d) (2) Subsequent Monitoring depending on timing and/or sequence of events. <p>Additional requirements or changes to these requirements to Frac are a possibility.</p>

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
1857343	SELECTED ITEMS REPORT-MAPS
1857344	OFFSET WELL EVAL - PDF - SWIFT ENERGY OP
1857357	WELLBORE DIAGRAM
2518502	DEVIATED DRILLING PLAN
2518520	UNIT CONFIGURATION MAP
2518521	WELL LOCATION PLAT
400446801	FORM 2 SUBMITTED
400459628	DIRECTIONAL DATA

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Extended comment period has expired. Permit is ready for approval.	8/12/2013 10:25:00 AM
Permit	Final review completed; Waiting on LGD request to extend comment period.	3/6/2013 6:44:15 AM
Permit	Directional data template uploaded along with the well location plat.	7/30/2013 11:08:24 AM
Permit	Waiting on directional template.	7/30/2013 9:39:45 AM
Permit	Leasehold position clarified. Operator owns leasehold in the unit. Horizontal well crosses multiple lease lines. Distance to lease line is 0 feet. Distance to the pooling/unit boundary is 638 feet.	7/29/2013 9:46:12 AM
Engineer	The new WBD and casing design was both recieved from the operator and reviewed and approved by me today. The attached WBD has been revised and the casing data in the APD has been updated and approved. The operator has been contacted regarding these changes.	7/19/2013 6:59:29 PM
Permit	Waiting on revisions for casing as requested by COGCC engineer.	7/18/2013 3:22:54 PM
LGD	<p>The La Plata County LGD requests that the Director extend the public comment period and LGD comment period on this permit application a full ten (10) days per Rule 305c.</p> <p>The La Plata County LGD requests that the COAs placed on the Form 2 (APD) for the Pilot Hole (Document # 400403147) by the COGCC Engineer also be placed on this Form 2 (APD) for the lateral portion on the wellbore, so that there isnt any confusions/interpretation that COAs are only applicable to the Pilot Hole, rather than both the Pilot Hole and Lateral. My understanding is the the COAs do apply to both, however this is not very clear.</p>	7/18/2013 8:25:49 AM
Permit	Lease map shows the extent of a single lease. per operator. Is this the lease boundary or the unit boundary?	7/16/2013 9:08:01 AM
Permit	Operator used distance to surface location as distance to lease line. Must be revised.	7/16/2013 6:25:58 AM
Permit	This permit is the lateral of a pilot/lateral drilling plan and this permit should have a sidetrack designation in the API number. Approval of this permit must follow the approval of the pilot in order that the wellbores have the correct sidetrack designation.	7/12/2013 10:36:58 AM

Total: 11 comment(s)

Best Management Practices

No	BMP/COA Type	Description
1	Planning	Operations should avoid riparian areas, floodplains, lakeshores, wetlands, and areas subject to severe erosion and mass soil movement. Well should be designed to fit within the landscape and minimize excessive "cut and fill" construction practices.
2	Material Handling and Spill Prevention	All waste stored on-site must be protected from rain and stored away from drainage ways and receiving waters. In the event of fuel storage containment leaks or other spills, instructions will be posted on site and the SWMP administrator must be contacted. All spills must be reported immediately to applicable federal, state, and local regulatory agencies. The Spill Kit will be located in the designated stabilized staging area. Double-walled tanks will be used for the storage of chemicals and liquids.
3	Construction	Topsoil will be segregated and stored separately from subsurface materials to avoid mixing during construction, storage, and interim restoration. Topsoil stockpiles will be vegetated with environmentally friendly seed mix to minimize erosion and maximize reclamation potential.
4	Drilling/Completion Operations	<p>Prior to drilling, the location around the wellbore will be slightly crowned to divert fluids to a flow ditch. Swift will provide notice to the appropriate regulatory agency at least 24 hours prior to the commencement of any cementing operations and will maintain a copy of the cementing records at the well site during the drilling and completion of the well.</p> <p>Routine pre-drilling assessment of all potentially affected groundwater wells will be conducted. Post-drilling testing for all wells within 1,000 ft. will also be conducted to enable improved understanding of the potential for effects on groundwater.</p>
5	Interim Reclamation	Any topsoil not respread will remain stockpiled and vegetated to prevent it from eroding and to help maintain its biological viability. The portions of the cleared well site not needed for operational safety purposes will be recontoured to a final or intermediate contour that blends with the surrounding original topography.
6	Interim Reclamation	A pre-construction inventory shall be performed within the anticipated areas of disturbance to determine the appropriate prevention methods, predict control needs, and assess the level of responsibility for management. The objective is to document established target invasive plants. Target invasive plant infestations that reproduce prolifically from rhizome/root segments prior to disturbance will be pre-treated.
7	Final Reclamation	<p>Current site conditions, to include landscape conditions and characteristics, should be evaluated and documented prior to disturbance. This will provide baseline data on the original conditions for restoration at a later date.</p> <p>Low Compaction grading techniques will be used during final grading to minimize compacting soils.</p>

Total: 7 comment(s)