

FORM  
2

Rev  
08/13

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:

400699715

APPLICATION FOR PERMIT TO:

Drill  Deepen  Re-enter  Recomplete and Operate

Date Received:

10/08/2014

TYPE OF WELL OIL  GAS  COALBED  OTHER \_\_\_\_\_

Refiling

ZONE TYPE SINGLE ZONE  MULTIPLE ZONES  COMMINGLE ZONES

Sidetrack

Well Name: MEMORIAL Well Number: 3A  
Name of Operator: SOVEREIGN OPERATING COMPANY LLC COGCC Operator Number: 10383  
Address: 475 17TH STREET #1200  
City: DENVER State: CO Zip: 80202  
Contact Name: STEPHANIE CLASEN Phone: (303)297-0347 Fax: ( )  
Email: SCLASEN@BSEGLLC.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20110169

WELL LOCATION INFORMATION

QtrQtr: SWNE Sec: 3 Twp: 1S Rng: 68W Meridian: 6

Latitude: 39.994270 Longitude: -104.987680

Footage at Surface: 2201 feet FNL/FSL FNL 2648 feet FEL/FWL FEL

Field Name: WATTENBERG Field Number: 90750

Ground Elevation: 5193 County: BROOMFIELD

GPS Data:

Date of Measurement: 03/30/2012 PDOP Reading: 2.6 Instrument Operator's Name: MARK WOODARD

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  
1120 FNL 1336 FEL 1120 FNL 1336 FEL  
Sec: 3 Twp: 1S Rng: 68W Sec: 3 Twp: 1S Rng: 68W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership:  Fee  State  Federal  Indian

The Surface Owner is:  is the mineral owner beneath the location.  
(check all that apply)  is committed to an Oil and Gas Lease.

has signed the Oil and Gas Lease.

is the applicant.

The Mineral Owner beneath this Oil and Gas Location is:  Fee  State  Federal  Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: Yes

The right to construct the Oil and Gas Location is granted by: oil and gas lease

Surface damage assurance if no agreement is in place: Surface Surety ID:

## LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

T1S, R68W, SECTION 3:  
NW & NE, PARTIAL, AS DESCRIBED IN TWO SPECIAL WARRANTY DEEDS RECORDED AT REC. #796809 & 796794 & QUIT CLAIM DEEDS RECORDED AT REC. #796810 & 796795; A 30.0 FOOT STRIP OF LAND ALONG THE WEST SIDE OF THE SW, AS DESCRIBED IN WARRANTY DEEDS IN BOOK 2853 AT PAGE 951 & IN BOOK 2975 AT PAGE 588.

Total Acres in Described Lease: 224 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # \_\_\_\_\_

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 160 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 590 Feet  
Building Unit: 2805 Feet  
High Occupancy Building Unit: 2822 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 965 Feet  
Above Ground Utility: 2160 Feet  
Railroad: 5280 Feet  
Property Line: 20 Feet

### INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).  
- Enter 5280 for distance greater than 1 mile.  
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.  
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

## DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a:  Buffer Zone  
 Exception Zone  
 Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit  
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.  
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: \_\_\_\_\_

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: \_\_\_\_\_

## SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 875 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 1120 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

## SPACING & FORMATIONS COMMENTS

WELL IS LOCATED ALONG THE QTR SECTION LINE BETWEEN THE NW/4 AND NE/4 OF THE SECTION (20' FROM THE PROPERTY LINE). THE OWNER IS THE SAME FOR BOTH PROPERTIES AND ANY EXCEPTION OR LOCATION WAIVERS ARE GIVEN BY THE SURFACE USE AGREEMENT.

## OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
J SAND	JSND	467-8	160	NE/4
NIOBRARA-CODELL	NB-CD	467-8	160	NE/4

## DRILLING PROGRAM

Proposed Total Measured Depth: 8868 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 875 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H<sub>2</sub>S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? No

BOP Equipment Type:  Annular Preventor  Double Ram  Rotating Head  None

### GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 609

### DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

Beneficial reuse or land application plan submitted? No

Reuse Facility ID: \_\_\_\_\_ or Document Number: \_\_\_\_\_

### CASING PROGRAM

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	1100	550	1100	0
1ST	7+7/8	4+1/2	11.6	0	8868	525	8868	7630

Conductor Casing is NOT planned

### DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

### GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- Rule 318A.a. Exception Location (GWA Windows).
- Rule 318A.c. Exception Location (GWA Twinning).

### RULE 502.b VARIANCE REQUEST

- Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number \_\_\_\_\_

**OTHER LOCATION EXCEPTIONS**

Check all that apply:

- Rule 318.c. Exception Location from Rule or Spacing Order Number \_\_\_\_\_
- Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

**OPERATOR COMMENTS AND SUBMITTAL**

Comments Attachments were previously submitted with the original APD. No changes have been made to the drilling plans that would affect the attachments.  
 A notice of our intent to refile this permit has been sent to the landowner.  
 There have been no changes to the location.  
 I certify that there have been no changes on land use or lease description.  
 No pit will be used.  
 There will be no additional surface disturbance.  
 The location does not require a variance from any of the rules listed in Rule 306.d.(1).(A).(ii).  
 The location is not within a wildlife Restricted Surface Occupancy Area.  
 The Sundry Notices will have the enforceable Best Management Practices that were agreed to with the City and County of Broomfield for the COGCC's Form 4 Sundry Notice.

This application is in a Comprehensive Drilling Plan \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: 430336

Is this application being submitted with an Oil and Gas Location Assessment application? No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: \_\_\_\_\_ Print Name: STEPHANIE CLASEN

Title: C & R MANAGER Date: 10/8/2014 Email: SCLASEN@BSEGLLC.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: 11/21/2014

Expiration Date: 11/20/2016

<b>API NUMBER</b>
05 014 20743 00

## Conditions Of Approval

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.

<u>COA Type</u>	<u>Description</u>
	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 shall use enclosed combustion during all stages of drilling and operations.

## Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	Sovereign Operating Company will submit a Form 4 Sundry Notice for each related Oil and Gas Location. The Sundry Notices will have the enforceable Best Management Practices that were agreed to with the City and County of Broomfield for the COGCC's Form 4 Sundry Notice. The Sundry Notices will be submitted for COGCC Director's approval prior to any construction or drilling activity on the Location.

Total: 1 comment(s)

## Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.
Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

## Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400699715	FORM 2 SUBMITTED

Total Attach: 1 Files

## General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	11/17/2014 9:27:20 AM
Permit	Per operator Water Sampling is 609 per Broomfield BMP. Operator requesting Exception location. Waiver for exception location and setbacks are in the SUA. ok to pass.	11/6/2014 11:35:09 AM
LGD	This site lies completely within the Jurisdiction of the City and County of Broomfield. Please submit this application to them for further review.	10/10/2014 9:19:55 AM
Permit	Passed Completeness	10/9/2014 1:32:17 PM

Total: 4 comment(s)