

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:
400804474
(SUBMITTED)

APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER PILOT HOLE Refilling ☐
ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐ Sidetrack ☐

Date Received:

Well Name: Flanders 7-88 Well Number: 1-34
Name of Operator: SWN PRODUCTION COMPANY LLC COGCC Operator Number: 10396
Address: PO BOX 12359
City: SPRING State: TX Zip: 77391
Contact Name: Cheryl Rowell Phone: (832)796-7439 Fax: (832)796-8817
Email: cheryl_rowell@swn.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20110201

WELL LOCATION INFORMATION

QtrQtr: SWNW Sec: 34 Twp: 7N Rng: 88W Meridian: 6
Latitude: 40.518333 Longitude: -107.253847
Footage at Surface: 1580 feet FNL/FSL FSL 1021 feet FEL/FWL FWL
Field Name: WILDCAT Field Number: 99999
Ground Elevation: 6562 County: ROUTT
GPS Data:
Date of Measurement: 10/29/2014 PDOP Reading: 1.6 Instrument Operator's Name: NATHAN FISHER
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
Sec: Twp: Rng: Sec: Twp: Rng:

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: Bond

Surface damage assurance if no agreement is in place: Blanket Surface Surety ID: 20110200

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.)

Section 34, T7N, R88W: S2SW, SWSE, N2S2, N2
See attached Lease Map.

Total Acres in Described Lease: 600 Described Mineral Lease is: ☐ Fee ☒ State ☐ Federal ☐ Indian
Federal or State Lease # 8620.5
Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 1021 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1731 Feet
Building Unit: 1731 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 796 Feet
Above Ground Utility: 5280 Feet
Railroad: 5280 Feet
Property Line: 1021 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: 5280 Feet
Distance from Completed Portion of Wellbore to Nearest Unit Boundary 1580 Feet (Enter 5280 for distance greater than 1 mile.)
Federal or State Unit Name (if appl): Otheos State Unit Number: _____

SPACING & FORMATIONS COMMENTS

THIS WELL IS WITHIN THE 1ST EXPANSION OF THE OTHEOS STATE WHICH WAS APPROVED ON OCTOBER 31, 2013.

See attached Otheos State Unit Map.

OBJECTIVE FORMATIONS

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| NIOBRARA | NBRR | | | |

DRILLING PROGRAM

Proposed Total Measured Depth: 10000 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 5280 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H₂S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? Yes

Will oil based drilling fluids be used? Yes

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?

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 |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| CONDUCTOR | 30 | 20 | 104 | 0 | 60 | 270 | 60 | 0 |
| SURF | 17+1/2 | 13+3/8 | 54.5 | 0 | 1200 | 626 | 1200 | 0 |
| 1ST | 12+1/4 | 9+5/8 | 40 | 0 | 8400 | 1394 | 8400 | 1000 |
| OPEN HOLE | 8+3/4 | | | 0 | 10000 | | | |

☐ 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

This well is being drilled for informational purposes only. This pilot hole will be drilled to 10,000'. Intermediate casing (1st string) will be run to 8400', cemented, TOC 1200', 200' behind surface casing. A whipstock will be set 8365', the well sidetracked and completed as a horizontal. Refer to Doc #400803417 Form 2 Application to Drill horizontal/lateral.

Open-Hole logs with Resistivity and Gamma-ray will be run from TD into the surface casing.

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: _____

Is this application being submitted with an Oil and Gas Location Assessment application? _____ Yes

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

Signed: _____ Print Name: Cheryl Rowell

Title: Sr. Staff Reg. Analyst Date: _____ Email: cheryl_rowell@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: _____

Expiration Date: _____

API NUMBER

05

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.

Best Management Practices

| <u>No</u> | <u>BMP/COA Type</u> | <u>Description</u> |
|-----------|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Planning | When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources. |
| 2 | General Housekeeping | 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 (SEPCO) will not permit the release or discharge of any toxic or hazardous chemicals or chemicals or wastes on Owners' land. Construct and maintain gates where any roads used by SEPCO cross through fences on the leased premises. |
| 3 | Storm Water/Erosion Control | Use water bars and other measures to prevent erosion and non-source pollution. Implement and maintain BMP's to control storm water 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. |
| 4 | 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 or vegetation. No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment. |
| 5 | Drilling/Completion Operations | Open-hole Resistivity Log with Gamma Ray Log will be run from TD into the surface casing. A Cement Bond Log with Gamma-Ray will be run on production casing, or on intermediate casing if a production liner is run. The Form 5, Completion Report, will list all logs run and have those logs attached. |
| 6 | 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. |
| 7 | 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. |

Total: 7 comment(s)

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|------------------------|
| 400804559 | WELL LOCATION PLAT |
| 400831950 | MINERAL LEASE MAP |
| 400832312 | UNIT CONFIGURATION MAP |

Total Attach: 3 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | |

Total: 0 comment(s)