

**APPLICATION FOR PERMIT TO:**

**Drill**       Deepen       Re-enter       Recomplete and Operate

TYPE OF WELL    OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER <u>unplanned</u>	Refiling <input type="checkbox"/>
ZONE TYPE    SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input checked="" type="checkbox"/>

Date Received:  
10/27/2015

Well Name: Falcon Seaboard 11-90-12      Well Number: 5

Name of Operator: SG INTERESTS I LTD      COGCC Operator Number: 77330

Address: 100 WAUGH DR SUITE 400

City: HOUSTON      State: TX      Zip: 77007

Contact Name: Catherine Dickert      Phone: (970)385-0696      Fax: (970)3850636

Email: cdickert@sginterests.com

**RECLAMATION FINANCIAL ASSURANCE**  
Plugging and Abandonment Bond Surety ID: 20150109

**WELL LOCATION INFORMATION**

QtrQtr: NESW      Sec: 12      Twp: 11s      Rng: 90w      Meridian: 6

Latitude: 39.112380      Longitude: -107.399380

Footage at Surface: <u>1837</u> feet	FNL/FSL	FEL/FWL
<u>FSL</u> <u>1846</u> feet	<u>FSL</u>	<u>FWL</u>

Field Name: RAGGED MOUNTAIN      Field Number: 71430

Ground Elevation: 7531      County: GUNNISON

GPS Data:  
Date of Measurement: 08/27/2014    PDOP Reading: 1.4    Instrument Operator's Name: M. Denison

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
<u>1229</u> <u>FSL</u> <u>2237</u> <u>FWL</u>	<u>2245</u> <u>FSL</u> <u>669</u> <u>FEL</u>		
Sec: <u>12</u> Twp: <u>11s</u> Rng: <u>90w</u>	Sec: <u>13</u> Twp: <u>11s</u> Rng: <u>90w</u>		

**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.)

See attached lease map (attached to doc # 400694598.)

Total Acres in Described Lease: 1911 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: 713 Feet

**CULTURAL DISTANCE INFORMATION**

Distance to nearest:

Building: 1806 Feet

Building Unit: 1806 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 1865 Feet

Above Ground Utility: 1865 Feet

Railroad: 5280 Feet

Property Line: 1355 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: 116 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 4100 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): Bull Mountain Unit Number: COC67120X

**SPACING & FORMATIONS COMMENTS**

This well is within the federal Bull Mountain Unit.

**OBJECTIVE FORMATIONS**

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
MANCOS	MNCS			

**DRILLING PROGRAM**

Proposed Total Measured Depth: 13818 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 116 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?                     

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	26	20	106.5	0	80	137	80	0
SURF	16	13+3/8	54.5	0	575	270	575	0
1ST	12+1/4	9+5/8	40	0	5503	1452	5503	0
2ND	8+1/2	5+1/2	20	0	13818	1565	13818	5200

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).



## 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.

### COA Type

### Description

	<p>(1) Operator shall comply with the most current revision of the Northwest Notification Policy. See attached notice.</p> <p>(2) Operator shall provide cement coverage from the intermediate casing shoe (9+5/8" string) to a minimum of 200' above all Mesa Verde Group (and Ohio Creek Formation, if present) oil, gas, and water-bearing sandstone and coalbed formations. Verify intermediate casing cement coverage with a cement bond log.</p>
--	--

## Best Management Practices

### No BMP/COA Type

### Description

--	--

## Applicable Policies and Notices to Operators

NW Colorado Notification Policy.
----------------------------------

## Attachment Check List

### Att Doc Num

### Name

400924518	FORM 2 SUBMITTED
400925438	CORRESPONDENCE
400925449	WELLBORE DIAGRAM
400926606	DIRECTIONAL DATA
400926928	DEVIATED DRILLING PLAN
400926946	WELL LOCATION PLAT

Total Attach: 6 Files

## General Comments

### User Group

### Comment

### Comment Date

Permit	Final review complete.	10/29/2015 2:13:17 PM
Engineer	<p>Offset water well check: COGCC evaluated offset water wells within one mile of this proposed well's surface hole location. This information was used in addition to locally-available geophysical logs and hydrogeologic information to evaluate the adequacy of the operator's proposed surface casing setting depth. The deepest water well within one mile is 108 feet. The surface casing setting depth is more than 50 feet below the base of the aquifer in which water wells are screened within one mile.</p> <p>Evaluated existing offset oil and gas wells within 1,500 feet of this wellbore. No mitigation required.</p>	10/29/2015 1:50:55 PM
Permit	Ready to pass.	10/29/2015 11:00:50 AM
Permit	Corrected the setting depth from 13776' to 13818' as per operator. Form passes completeness.	10/29/2015 9:53:01 AM
Permit	Requested Deviated Drilling Plan with side view from opr. Form back to draft.	10/28/2015 12:53:48 PM

Total: 5 comment(s)