

**APPLICATION FOR PERMIT TO:**

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

Date Received:

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

ZONE TYPE      SINGLE ZONE     MULTIPLE ZONES     COMMINGLE ZONES       Sidetrack

Well Name: Federal 11-90-9      Well Number: 3

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: Tracy Arnett      Phone: (970)3850696      Fax: (970)3850636

Email: tarnett@sginterests.com

**RECLAMATION FINANCIAL ASSURANCE**

Plugging and Abandonment Bond Surety ID: 20030098

**WELL LOCATION INFORMATION**

QtrQtr: SWNW    Sec: 9    Twp: 11s    Rng: 90W    Meridian: 6

Latitude: 39.116830      Longitude: -107.458250

Footage at Surface:    1764    Feet    FNL    1027    Feet    FWL

Field Name: WILDCAT      Field Number: 99999

Ground Elevation: 7678.7      County: GUNNISON

GPS Data:

Date of Measurement: 10/31/2011    PDOP Reading: 1.5    Instrument Operator's Name: David Nicewicz

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

1359    FNL    1635    FWL      209    FNL    1043    FEL

   Sec: 9    Twp: 11s    Rng: 90w      Sec: 16    Twp: 11s    Rng: 90w

**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 Mineral lease map. The horizontal wellbore will produce from multiple federal leases, COC08905, COC 13483 and COC 42314, therefore distance to nearest lease line is 0. See attached Mineral Lease Map. The lease listed on this APD is the first lease encountered at top of production.

Total Acres in Described Lease: 2449 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # COC08905

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5050 Feet  
Building Unit: 5050 Feet  
High Occupancy Building Unit: 5280 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 970 Feet  
Above Ground Utility: 5120 Feet  
Railroad: 5280 Feet  
Property Line: 1450 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 proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 1207 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 1027 Feet (Enter 5280 for distance greater than 1 mile.)

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

## SPACING & FORMATIONS COMMENTS

Spacing established per Order No. 547-1 consisting of Sections 9, 15, 16 and N/2 of 22.

## 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	547-1	2240	ALL

## DRILLING PROGRAM

Proposed Total Measured Depth: 14676 Feet

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells:

Enter distance if less than or equal to 1,500 feet: \_\_\_\_\_ Feet  No well belonging to another operator within 1,500 feet

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
CONDUCTOR	26	20	106.5	0	80	137	80	0
SURF	16	13+3/8	54.5	0	400	180	400	0
1ST	12+1/4	9+5/8	40	0	5500	1566	5500	0
2ND	8+1/2	5+1/2	20	0	14676	1605	14676	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).

## OPERATOR COMMENTS AND SUBMITTAL

Comments 

There have been no changes to the surrounding land use. There have been no changes to the mineral lease description upon which the proposed well site is located. The well site has not been built. The casing and cementing program has been updated to reflect the current plan.
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This application is in a Comprehensive Drilling Plan \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: 430226

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: Tracy Arnett

Title: Regulatory Permitting Date: \_\_\_\_\_ Email: tarnett@sginterests.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: \_\_\_\_\_

<b>API NUMBER</b>
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### 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>

## Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	One of the first wells drilled on the pad will be logged with open-hole Resistivity Log and Gamma Ray Log from kickoff point into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing from kickoff point (or on intermediate casing if production liner is run) into the surface casing or into the overlap between the production and intermediate casing in the event intermediate casing is run. The horizontal portion of a well from kickoff point to TD will be logged-while-drilling with a gamma ray tool. The Form 5, Completion Report, for each well on the pad will list all logs run and have those logs attached. The Form 5 for a well without open-hole logs shall clearly state 'No open-hole logs were run' and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run.

Total: 1 comment(s)

### Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401115820	MINERAL LEASE MAP
401124318	WELL LOCATION PLAT
401124324	FED. DRILLING PERMIT

Total Attach: 3 Files

### General Comments

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

Total: 0 comment(s)

**Public Comments**

No public comments were received on this application during the comment period.

