

FORM
2
Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COALBED OTHER _____
SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONE

Refiling
Sidetrack

Document Number:
1757370
Plugging Bond Surety
20060057

3. Name of Operator: DIVERSIFIED OPERATING CORPORATION 4. COGCC Operator Number: 24461

5. Address: 15000 W 6TH AVE STE 102
City: GOLDEN State: CO Zip: 80401

6. Contact Name: TERRYCAMMON Phone: (303)384-9611 Fax: (303)384-9612
Email: TCAMMON@DOCCOLO.COM

7. Well Name: CHALK Well Number: 31-13

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

9. Proposed Total Measured Depth: 7050

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 31 Twp: 8N Rng: 59W Meridian: 6
Latitude: 40.613280 Longitude: -104.028450

Footage at Surface: 620 FNL/FSL FSL 620 FEL/FWL FWL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 4957 13. County: WELD

14. GPS Data:

Date of Measurement: 10/31/2008 PDOP Reading: 2.0 Instrument Operator's Name: NEAL MCCORMICK

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 _____

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

16. Is location in a high density area? (Rule 603b)? Yes No

17. Distance to the nearest building, public road, above ground utility or railroad: 660

18. Distance to nearest property line: 620 19. Distance to nearest well permitted/completed in the same formation: 1907

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.)
D SAND	DSND			

21. Mineral Ownership: Fee State Federal Indian Lease #: _____

22. Surface Ownership: Fee State Federal Indian

23. 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 No

23b. If 23 is No Surface Owners Agreement Attached or \$25,000 Blanket Surface Bon \$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):
SW/4

25. Distance to Nearest Mineral Lease Line: 660 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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? Yes No **If 28, 29, or 30 are "Yes" a pit permit may be required.**

31. Mud disposal: Offsite Onsite
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	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
SURF	12+1/4	8+5/8	24	500	285	500	0
1ST	7+7/8	4+1/2	10.5	7,050	250	7,050	5,600

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None

33. Comments NO CONDUCTOR CASING WILL BE USED.

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: TERRY CAMMON

Title: PRESIDENT Date: 7/7/2009 Email: TCAMMON@DOCCOLO.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: David S. Noshin Director of COGCC Date: 10/2/2009

API NUMBER
05 123 30654 00

Permit Number: _____ Expiration Date: 10/1/2010

CONDITIONS OF APPROVAL, IF ANY: _____

Condition of Approval

Comment

Agency

1) Provide 24 hr notice of spud to Colby Horton at 970-467-2517 or e-mail at colby.horton@state.co.us. 2) Note surface casing setting depth change from 400' to 500'. Increase cement coverage accordingly and cement to surface. Set surface casing per Rule 317d, setting surface casing less than the approved depth is a permit violation unless prior written approval is obtained from the COGCC. 3) If completed, provide cement coverage from TD to a minimum of 200' above D Sand. Verify coverage with cement bond log. 4) If dry hole, set 60 sks cement from 50' below D Sand base to 100' above D Sand top, 40 sks cement 50' above Niobrara top, 50 sks cement ½ out, ½ in surface casing, 10 sks cement top of surface casing, cut 4' below GL, weld on plate, 5 sks cement in rat hole 5 sks cement in mouse hole. Restore site per COGCC 1000 rules.

Attachment Check List

Att Doc Num	Name	Doc Description
1691631	CORRESPONDENCE	LF@2105067 1691631
1757370	APD ORIG & 1 COPY	LF@2095640 1757370
1757377	WELL LOCATION PLAT	LF@2095643 1757377
1757378	30 DAY NOTICE LETTER	LF@2095641 1757378
1759121	LEGAL/LEASE DESCRIPTION	LF@2142713 1759121
1759407	EXCEPTION LOC REQUEST	LF@2156476 1759407
1759408	EXCEPTION LOC WAIVERS	LF@2156477 1759408
1813944	SURFACE AGRMT/SURETY	LF@2095642 1813944
1940513	SURFACE CASING CHECK	LF@2139363 1940513

Total Attach: 9 Files