

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



DE ET OE ES

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:

1757487

Plugging Bond Surety

3. Name of Operator: MERIT ENERGY COMPANY

4. COGCC Operator Number: 56565

5. Address: 13727 NOEL ROAD STE 500

City: DALLAS State: TX Zip: 75240

6. Contact Name: MICHAL K. WHITE Phone: (972)628-1658 Fax: (972)628-1958

Email: MICHAL.WHITE@MERITENERGY.COM

7. Well Name: LODWICK Well Number: 5

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

9. Proposed Total Measured Depth: 7400

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 28 Twp: 4N Rng: 66W Meridian: 6

Latitude: 40.288410 Longitude: -104.788970

Footage at Surface: 531 FNL 820 FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4758 13. County: WELD

14. GPS Data:

Date of Measurement: 12/13/2006 PDOP Reading: 3.6 Instrument Operator's Name: ROBERT D. THOMAS

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
1270 FNL 1295 FWL 1270 FNL 1295 FWL
Sec: 28 Twp: 4N Rng: 66W Sec: 28 Twp: 4N Rng: 66W16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 531

18. Distance to nearest property line: 450 19. Distance to nearest well permitted/completed in the same formation: 708

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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| NIOBARRA-CODELL | NB-CD | 407.87 | 160 | NW4 |

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):
NW/4, SEC. 28, T4N-R66W

25. Distance to Nearest Mineral Lease Line: _____ 1270 _____ 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 | 400 | 350 | 400 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 7,400 | 700 | 7,400 | 0 |

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

33. Comments NO CONDUCTOR CASING WILL BE USED.

34. Location ID: _____ 332821 _____

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: MICHAL K. WHITE

Title: REGULATORY Date: _____ Email: MICHAL.WHITE@MERITENER

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: _____

API NUMBER

05 123 24726 00

Permit Number: _____ Expiration Date: _____

CONDITIONS OF APPROVAL, IF ANY: _____

Condition of Approval

Comment

Agency

1) Provide 24 hour notice of MIRU to Ed Binkley at 970-506-9834 or e-mail at ed.binkley@state.co.us 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) Run and submit Directional Survey from TD to base of surface casing. The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------------|--------------------|
| 1757487 | APD ORIG & 1 COPY | LF@2098951 1757487 |
| 1757499 | WELL LOCATION PLAT | LF@2098952 1757499 |
| 1757500 | TOPO MAP | LF@2098955 1757500 |
| 1757501 | SURFACE AGRMT/SURETY | LF@2098956 1757501 |
| 1757502 | 30 DAY NOTICE LETTER | LF@2098953 1757502 |
| 1757503 | DEVIATED DRILLING PLAN | LF@2098954 1757503 |

Total Attach: 6 Files