

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 ☐

Refilling ☒

Sidetrack ☐

Document Number:

1757042

Plugging Bond Surety

19910030

3. Name of Operator: BLUE CHIP OIL INC

4. COGCC Operator Number: 8840

5. Address: 155 E BOARDWALK DR STE 400

City: FORT COLLINS State: CO Zip: 80525

6. Contact Name: TIMHAGER Phone: (970)493-6456 Fax: (970)232-3051

Email: _____

7. Well Name: SCHNEIDER Well Number: 44-36

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

9. Proposed Total Measured Depth: 7745

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 36 Twp: 7N Rng: 67W Meridian: 6

Latitude: 40.525010 Longitude: -104.839970

Footage at Surface: 576 FNL/FSL FSL 2161 FEL/FWL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4879 13. County: WELD

14. GPS Data:

Date of Measurement: 08/06/2007 PDOP Reading: 1.4 Instrument Operator's Name: MARK ANGELL

15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 661 FSL 659 FEL 661 FEL 659 FEL
Sec: 36 Twp: 7N Rng: 67W Sec: 36 Twp: 7N Rng: 67W

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: 500

18. Distance to nearest property line: 473 19. Distance to nearest well permitted/completed in the same formation: 933

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.)
NIOBRARA-CODELL	NB-CD		160	SE4

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):
SEC. 36, T7N - R67W: SE/4

25. Distance to Nearest Mineral Lease Line: _____ 659 _____ 26. Total Acres in Lease: _____ 155 _____

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	285	400	0
1ST	7+7/8	4+1/2	11.6	7,745	200	7,745	6,625

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

33. Comments NO CONDUCTOR CASING WILL BE SET PER C.R. ON 9/10/2007. NO SURFACE CHANGE WITHIN 400' SINCE LAST PERMITTED.

34. Location ID: _____ 333060 _____

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: _____ Y _____ Print Name: _____ JOE MAZOTTI _____

Title: _____ AGENT _____ Date: _____ 6/3/2009 _____ Email: _____ JOE@PETRO-FS.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. Neslin _____ Director of COGCC Date: _____ 10/13/2009 _____

API NUMBER

05 123 26550 00

Permit Number: _____ 20092717 _____ Expiration Date: _____ 10/12/2010 _____

CONDITIONS OF APPROVAL, IF ANY: _____

Condition of Approval

Comment

Agency

NO CONDITIONS FOUND

Location is a sensitive area because of shallow groundwater; therefore, either a lined drilling pit or closed loop system is required.

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.

Attachment Check List

Att Doc Num	Name	Doc Description
1757042	APD ORIGINAL	LF@2086892 1757042
1757044	WELL LOCATION PLAT	LF@2086894 1757044
1757045	TOPO MAP	LF@2086895 1757045
1757046	30 DAY NOTICE LETTER	LF@2086893 1757046

Total Attach: 4 Files