

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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Document Number:

40002717

Plugging Bond Surety

19970026

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

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: MichalWhite Phone: (972)628-1658 Fax: (972)628-1958

Email: Michal.White@meritenergy.com

7. Well Name: Nelson Well Number: 2-8I

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

9. Proposed Total Measured Depth: 7444

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 24 Twp: 6N Rng: 66W Meridian: 6

Latitude: 40.476000 Longitude: -104.728600

Footage at Surface: 1866 FNL/FSL FNL 1757 FEL/FWL FWL

11. Field Name: Bracewell Field Number: 7487

12. Ground Elevation: 4743 13. County: WELD

14. GPS Data:

Date of Measurement: 08/12/2007 PDOP Reading: 3.3 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 _____

1320 FNL 2640 FWL 1320 FNL 2640 FWL

Sec: 24 Twp: 6N Rng: 66W Sec: 24 Twp: 6N Rng: 66W

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: 1016 ft

18. Distance to nearest property line: 663 ft 19. Distance to nearest well permitted/completed in the same formation: 975 ft

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	407-87	160	GWA

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#: 20020015

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. 24, T6N-R66W

25. Distance to Nearest Mineral Lease Line: 789 ft 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	8+5/8	12+1/4	24#	465	300	465	
1ST	4+1/2	7+7/8	11.6#	7,444	600	7,444	

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

33. Comments _____

34. Location ID: 333321

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 Analyst Date: 8/17/2009 Email: Michal.White@meritenergy.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: 11/4/2009

Permit Number: _____ Expiration Date: 11/3/2010

API NUMBER
05 123 27121 00

CONDITIONS OF APPROVAL, IF ANY: _____

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.

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
400002717	APD APPROVED	400002717.pdf
400002881	WELL LOCATION PLAT	Nelson 2-8I Survey Plat.pdf
400002882	TOPO MAP	Nelson 2-8I Topo Map.pdf
400002883	30 DAY NOTICE LETTER	Nelson 2-8I Notice to Surface Owner.pdf
400002887	DEVIATED DRILLING PLAN	Nelson 2-8I Directional Survey.pdf
400002918	PROPOSED SPACING UNIT	Nelson 2-8I Spacing Pckt.pdf
400002919	CORRESPONDENCE	Nelson 2-8I Letter to Commissioner.pdf

Total Attach: 7 Files