

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:

2093066

Plugging Bond Surety

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☐ GAS ☐ COALBED ☐ OTHER OIL & GASSINGLE ZONE ☐ MULTIPLE ZONE ☒ COMMINGLE ZONE ☒Refiling ☒Sidetrack ☐3. Name of Operator: BLUE CHIP OIL INC4. COGCC Operator Number: 88405. Address: 155 E BOARDWALK DR STE 400City: FORT COLLINS State: CO Zip: 805256. Contact Name: TIM HAGER Phone: (970)493-6456 Fax: (970)232-3051Email: BLUECHIPOIL@MSN.COM7. Well Name: KW Well Number: 4

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

9. Proposed Total Measured Depth: 8130

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 12 Twp: 6N Rng: 67W Meridian: 6Latitude: 40.507810 Longitude: -104.833880

		FNL/FSL		FEL/FWL
Footage at Surface:	<u>398</u>	FNL	<u>441</u>	FEL

11. Field Name: SEVERANCE Field Number: 7703012. Ground Elevation: 4885 13. County: WELD

14. GPS Data:

Date of Measurement: 06/27/2008 PDOP Reading: 1.9 Instrument Operator's Name: ROD EDWARDS15. 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
<u>1323</u>	FNL	<u>1312</u>	FEL	<u>1323</u>	FNL
				<u>1312</u>	FEL
Sec: _____	Twp: _____	Rng: _____	Sec: <u>12</u>	Twp: <u>6N</u>	Rng: <u>67W</u>

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 396 ft18. Distance to nearest property line: 398 ft 19. Distance to nearest well permitted/completed in the same formation: 932 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.)
J SAND	JSND		80	W2NE
NIOBRARA-CODELL	NB-CD	407-87	80	W2NE

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):
T6N-R67W: SECTION 12:NE4

25. Distance to Nearest Mineral Lease Line: _____ 1312 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	12+1/4	8+5/8	24	710	400	710	0
1ST	7+7/8	4+1/2	11.6	8,130	260	8,130	6,790

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

33. Comments NO CONDUCTOR CASING WILL BE SET IN THE SUBJECT WELL. TWINNING THE PROPOSED KW #3 WELL.

34. Location ID: _____ 333316

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: TIM HAGER

Title: PRESIDENT Date: _____ Email: BLUECHIPOIL@MSN.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: _____

API NUMBER

05 123 29267 00

Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

Att Doc Num	Name	Doc Description
2093066	APD ORIGINAL	LF@2193829 2093066
2093067	WELL LOCATION PLAT	LF@2193830 2093067
2093068	TOPO MAP	LF@2193831 2093068
2093069	30 DAY NOTICE LETTER	LF@2193832 2093069
2093070	DEVIATED DRILLING PLAN	LF@2193833 2093070
2093071	EXCEPTION LOC REQUEST	LF@2193834 2093071
2093072	EXCEPTION LOC WAIVERS	LF@2193835 2093072

Total Attach: 7 Files