

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:

400046331

Plugging Bond Surety

3. Name of Operator: MACHII-ROSS PETROLEUM CO

4. COGCC Operator Number: 52250

5. Address: 2901 28TH ST STE 205

City: SANTA MONICA State: CA Zip: 90405

6. Contact Name: ANDY PETERSON Phone: (970)669-7411 Fax: (970)669-4077

Email: andy.peterson@petersonenergy.com

7. Well Name: HORST Well Number: 44-21J

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

9. Proposed Total Measured Depth: 8220

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 21 Twp: 2N Rng: 67W Meridian: 6

Latitude: 40.118140 Longitude: -104.888990

Footage at Surface: 601 FNL/FSL FSL FEL/FWL 780 FEL FEL

11. Field Name: SPINDLE Field Number: 77900

12. Ground Elevation: 5030 13. County: WELD

14. GPS Data:

Date of Measurement: 09/29/2008 PDOP Reading: 0.9 Instrument Operator's Name: DALLAS NIELSEN

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: 557 ft

18. Distance to nearest property line: 536 ft 19. Distance to nearest well permitted/completed in the same formation: 976 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.)
CODELL	CODL	407-87	80	S/2 SE/4
J SAND	JSND	232-32	320	S/2
NIOBRARA	NBRR	407-87	80	S/2 SE/4

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 Bond ☐ \$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):
TOWNSHIP 2 NORTH, RANGE 67 WEST, SECTION 21, E/2 SE/4

25. Distance to Nearest Mineral Lease Line: _____ 601 ft _____ 26. Total Acres in Lease: _____ 80 _____

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	700	500	700	0
1ST	7+7/8	1+1/2	11.6	8,220	201	8,220	7,153
			Stage Tool	5,294	250	5,294	4,894

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

33. Comments NO CONDUCTOR CASING WILL BE RUN. THERE HAVE BEEN NO CHANGES RELATIVE TO THE PREVIOUSLY APPROVED PERMIT. PER OPERATOR GUIDANCE DOCUMENT FOR RE-FILES, NO ATTACHMENTS HAVE BEEN INCLUDED. THERE HAVE BEEN NO CHANGES TO THE SURROUNDING LAND USE.

34. Location ID: _____ 410158 _____

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: CLAYTON DOKE _____

Title: ENGINEER Date: 3/15/2010 Email: cdoke@petersonenergy.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 30216 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.