

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:
400045311
Plugging Bond Surety
20090025

3. Name of Operator: AUGUSTUS ENERGY PARTNERS LLC 4. COGCC Operator Number: 10275

5. Address: P O BOX 250
City: WRAY State: CO Zip: 80758

6. Contact Name: Loni Davis Phone: (970)332-3585 Fax: (970)332-3587
Email: ldavis@augustusenergy.com

7. Well Name: Keller Federal Well Number: 24-10 2S46W

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

9. Proposed Total Measured Depth: 2550

WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 10 Twp: 2S Rng: 46W Meridian: 6
Latitude: 39.891550 Longitude: -102.513910

Footage at Surface: 597 FNL/FSL FSL 2058 FEL/FWL FWL

11. Field Name: Mildred Field Number: 54975

12. Ground Elevation: 4102 13. County: YUMA

14. GPS Data:

Date of Measurement: 02/27/2010 PDOP Reading: 2.0 Instrument Operator's Name: Neal McCormick

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: 2 mi

18. Distance to nearest property line: 597 ft 19. Distance to nearest well permitted/completed in the same formation: 1246 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	NBRR	327-9	160	SW/4

21. Mineral Ownership: Fee State Federal Indian Lease #: COC004420
 22. Surface Ownership: Fee State Federal Indian
 23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID#: 20090026
 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):
2S46W, Sec 10: W2NW, SENW, SESW, S2SE, Sec 1: SWSE, Sec 9: NE, N2NW, SENW, Sec 11: SW, Sec 12: NWNE, NWSW, NESE
 25. Distance to Nearest Mineral Lease Line: 597 ft 26. Total Acres in Lease: 1882

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	9+1/2	7	17	400	200	400	0
1ST	6+1/8	4+1/2	10.5	2,400	75	2,400	1,600

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None
 33. Comments No Conductor Casing will be used, the existing API # for this well on an expired permit by Berry Petroleum is 05-125-11372-00 The subject well is a refile, added API# and Location ID#, Located Yuma WLR 318B 3-18-1- JLV.

34. Location ID: 310979
 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: Loni J. Davis
 Title: Oper Acctg & Reg Spec Date: 3/5/2010 Email: ldavis@augustusenergy.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: 4/9/2010

API NUMBER 05 125 11372 00	Permit Number: _____	Expiration Date: <u>4/8/2012</u>
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 hr notice of spud to Craig Quint at 719-767-8939 or e-mail at craig.quint@state.co.us. 2) Set surface casing at least 50' into Pierre Shale for aquifer coverage, (400' minimum - as proposed). Setting surface casing less than the approved depth is a permit violation unless prior written approval is obtained from the COGCC. 3) If completed, provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log. 4) If dry hole, set 35 sks cement 50' above Niobrara top, 35 sks cement ½ out, ½ in surface casing, 10 sks cement at top of surface casing, cut casing 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole.

Attachment Check List

Att Doc Num	Name	Doc Description
400045328	30 DAY NOTICE LETTER	LF@2436188 400045328
400045330	WELL LOCATION PLAT	LF@2436189 400045330
400045331	SURFACE AGRMT/SURETY	LF@2436190 400045331
400045334	TOPO MAP	LF@2436191 400045334
400045367	FED. DRILLING PERMIT	LF@2436192 400045367
400045369	FORM 2 SUBMITTED	LF@2436193 400045369

Total Attach: 6 Files