

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:

400048998

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: Kirchenschlager Well Number: 11-11 1N47W

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

9. Proposed Total Measured Depth: 2900

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 11 Twp: 1N Rng: 47W Meridian: 6

Latitude: 40.074190 Longitude: -102.601600

Footage at Surface: 465 FNL/FSL 1161 FEL/FWL FWL

11. Field Name: Schramm Field Number: 76825

12. Ground Elevation: 4027 13. County: YUMA

14. GPS Data:

Date of Measurement: 03/18/2010 PDOP Reading: 2.7 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: 465 ft

18. Distance to nearest property line: 465 ft 19. Distance to nearest well permitted/completed in the same formation: 925 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	329-5	160	NW/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):
1N47W, Sec 11: NW

25. Distance to Nearest Mineral Lease Line: _____ 465 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	9+1/2	7	17	430	200	430	0
1ST	6+1/8	4+1/2	10.5	2,900	75	2,900	2,100

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

33. Comments No Conductor casing will be used. Add Location ID# 311002 4-15-10 JLV

34. Location ID: 311002

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: 3/22/2010 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: 4/20/2010

API NUMBER

05 125 11395 00

Permit Number: _____ Expiration Date: 4/19/2012

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 Colby Horton at 970-867-2517 or e-mail at colby.horton@state.co.us. 2) Set surface casing at least 50' into Pierre Shale for aquifer coverage, (430' 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
2110265	SURFACE CASING CHECK	LF@2451476 2110265
400049002	WELL LOCATION PLAT	LF@2441533 400049002
400049009	TOPO MAP	LF@2441534 400049009
400049013	SURFACE AGRMT/SURETY	LF@2441535 400049013
400049014	30 DAY NOTICE LETTER	LF@2441536 400049014
400050700	FORM 2 SUBMITTED	LF@2441538 400050700

Total Attach: 6 Files