

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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| DE | ET | OE | ES |
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Document Number:

400020682

Plugging Bond Surety

20010048

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: CHOLLA PRODUCTION LLC

4. COGCC Operator Number: 16830

5. Address: 7851 S ELATI ST STE 201

City: LITTLETON State: CO Zip: 80120

6. Contact Name: EMILY HUNDLEY-GOFF Phone: (303)6234565 Fax: (303)6235062

Email: cholla_production@msn.com

7. Well Name: BROOKS Well Number: 1-2

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

9. Proposed Total Measured Depth: 5300

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 1 Twp: 32S Rng: 45W Meridian: 6

Latitude: 37.292100 Longitude: -102.426480

Footage at Surface: 923 FNL/FSL FNL 983 FEL/FWL FEL

11. Field Name: WILDCAT Field Number: _____

12. Ground Elevation: 4137 13. County: BACA

14. GPS Data:

Date of Measurement: 10/16/2009 PDOP Reading: 2.6 Instrument Operator's Name: CHRIS PEARSON

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: 923 ft

18. Distance to nearest property line: 923 ft 19. Distance to nearest well permitted/completed in the same formation: 19 mi

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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| MORROW | MRRW | | | |

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):
NE/4 (TRACT 37-160 ACRES) OF SEC. 1-T32S-R45W; LOTS 7, 8, AND 17 (72 ACRES CONTIGUOUS TO NE/4 OF SEC. 1) IN SW/4 OF SEC.31-T31S-R44W; N/2 SEC. 6-T32S-R44W

25. Distance to Nearest Mineral Lease Line: 923 ft 26. Total Acres in Lease: 562

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: evaporation/reclamation

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 | 23 | 1,750 | 665 | 1,750 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 10.5 | 5,300 | 100 | 5,300 | 4,900 |
| S.C. 1.1 | | | | 3,533 | 100 | 3,533 | 3,027 |

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

33. Comments _____

34. Location ID: _____

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: EMILY HUNDLEY-GOFF

Title: OWNER/MANAGER Date: 12/8/2009 Email: cholla_production@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: David S. Nesline Director of COGCC Date: 1/20/2010

API NUMBER

05 009 06667 00

Permit Number: _____ Expiration Date: 1/19/2012

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 hour notice of MIRU to Mike Leonard at 719-767-2805 or e-mail at mike.leonard@state.co.us. 2) If production casing is set provide cement coverage to at least 200' above shallowest completed interval (200' above Topeka at a minimum). Run CBL to verify all cemented intervals. 3) If well is a dry hole set plugs at the following depths: 40 sks cement +/-50' above the Morrow, 40 sks cement +/-50' above the Topeka, 40 sks cement above any DST w/ hydrocarbon show, 40 sks cement from 50' below surface casing shoe up into surface casing, 40 sks cement from 850' up, 15 sks cement top surface csg, cut off 4 ft below GL, weld on plate, 5 sks cement in rat hole and mouse hole.

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1) Provide 24 hour notice of MIRU to Mike Leonard at 719-767-2805 or e-mail at mike.leonard@state.co.us. 2) If production casing is set provide cement coverage to at least 200' above the shallowest completed interval (Morrow is stated objective Fm.). Stage cement Topeka from 200' below to 200' above. Run CBL to verify all cemented intervals. 3) If well is a dry hole set plugs at the following depths: 40 sks cement +/-50' above the Morrow, 40 sks cement +/-50' above the Topeka, 40 sks cement above any DST w/ hydrocarbon show, 40 sks cement from 50' below surface casing shoe up into surface casing, 40 sks cement from 850' up, 15 sks cement top surface csg, cut off 4 ft below GL, weld on plate, 5 sks cement in rat hole and mouse hole.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|----------------------|--------------------------|
| 2098848 | SURFACE CASING CHECK | LF@2215412 2098848.00000 |
| 400020711 | WELL LOCATION PLAT | LF@2203408 400020711 |
| 400020715 | TOPO MAP | LF@2203409 400020715 |
| 400020716 | 30 DAY NOTICE LETTER | LF@2203410 400020716 |
| 400020733 | FORM 2 SUBMITTED | LF@2203411 400020733 |

Total Attach: 5 Files