

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



|    |    |    |    |
|----|----|----|----|
| DE | ET | OE | ES |
|----|----|----|----|

Document Number:

1757042

Plugging Bond Surety

19910030

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: BLUE CHIP OIL INC

4. COGCC Operator Number: 8840

5. Address: 155 E BOARDWALK DR STE 400

City: FORT COLLINS State: CO Zip: 80525

6. Contact Name: TIM HAGER Phone: (970)493-6456 Fax: (970)232-3051

Email: \_\_\_\_\_

7. Well Name: SCHNEIDER Well Number: 44-36

8. Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

9. Proposed Total Measured Depth: 7745

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 36 Twp: 7N Rng: 67W Meridian: 6

Latitude: 40.525010 Longitude: -104.839970

Footage at Surface: 576 FNL/FSL FSL 2161 FEL/FWL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4879 13. County: WELD

14. GPS Data:

Date of Measurement: 08/06/2007 PDOP Reading: 1.4 Instrument Operator's Name: MARK ANGELL

15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 661 FSL 659 FEL 661 FEL 659 FEL  
Sec: 36 Twp: 7N Rng: 67W Sec: 36 Twp: 7N Rng: 67W

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: 500 ft

18. Distance to nearest property line: 473 ft 19. Distance to nearest well permitted/completed in the same formation: 933 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-CODELL        | NB-CD          |                         | 160                           | SE4                                  |

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):  
SEC. 36, T7N - R67W: SE/4

25. Distance to Nearest Mineral Lease Line: 659 ft 26. Total Acres in Lease: 155

### 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              | 400           | 285          | 400           | 0          |
| 1ST         | 7+7/8        | 4+1/2          | 11.6            | 7,745         | 200          | 7,745         | 6,625      |

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

33. Comments NO CONDUCTOR CASING WILL BE SET PER C.R. ON 9/10/2007. NO SURFACE CHANGE WITHIN 400' SINCE LAST PERMITTED.

34. Location ID: 333060

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: Y Print Name: JOE MAZOTTI

Title: AGENT Date: 6/3/2009 Email: JOE@PETRO-FS.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: 10/13/2009

#### API NUMBER

05 123 26550 00

Permit Number: 20092717 Expiration Date: 10/12/2011

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.

NO CONDITIONS FOUND

Location is a sensitive area because of shallow groundwater; therefore, either a lined drilling pit or closed loop system is required.

1) Provide 24 hour notice of MIRU to Ed Binkley at 970-506-9834 or e-mail at ed.binkley@state.co.us 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.

**Attachment Check List**

| Att Doc Num | Name                 | Doc Description      |
|-------------|----------------------|----------------------|
| 1757044     | WELL LOCATION PLAT   | LF@2086894 1757044   |
| 1757045     | TOPO MAP             | LF@2086895 1757045   |
| 1757046     | 30 DAY NOTICE LETTER | LF@2086893 1757046   |
| 400011437   | APD ORIGINAL         | LF@2086892 400011437 |

Total Attach: 4 Files