

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:

400036737

Plugging Bond Surety

20070019

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: ORR ENERGY LLC

4. COGCC Operator Number: 10154

5. Address: 1813 61ST AVE STE 200

City: GREELEY State: CO Zip: 80634

6. Contact Name: Virginia Lopez Phone: (303)928-7128 Fax: (303)423-8765
Email: virginia@petro-fs.com

7. Well Name: AG Well Number: 32-32D

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

9. Proposed Total Measured Depth: 8000

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 32 Twp: 6N Rng: 66W Meridian: 6

Latitude: 40.450516 Longitude: -104.795262

Footage at Surface: 507 FNL/FSL FNL 795 FEL/FWL FEL

11. Field Name: Bracewell Field Number: 7487

12. Ground Elevation: 4712 13. County: WELD

14. GPS Data:

Date of Measurement: 01/08/2010 PDOP Reading: 6.0 Instrument Operator's Name: Travis Kraich

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

Footage at Top of Prod Zone: FNL/FSL 1995 FNL 2004 FEL FEL Bottom Hole: FNL/FSL 1995 FNL 2004 FEL FEL
Sec: 32 Twp: 6N Rng: 66W Sec: 32 Twp: 6N Rng: 66W

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: 280 ft

18. Distance to nearest property line: 179 ft 19. Distance to nearest well permitted/completed in the same formation: 1600 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 | 381-5 | 80 | S/2NE |
| J Sand | JSND | UNSPACED | 40 | SWNE |
| Niobrara | NBRR | 381-5 | 80 | S/2NE |

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#: 0

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 1/4 of Section 32

25. Distance to Nearest Mineral Lease Line: 444 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 | 12+1/4 | 8+5/8 | 24 | 750 | 550 | 750 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 7,990 | 675 | 7,990 | |

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

33. Comments This application is not in a Comprehensive Drilling Plan. E-Forms does not have a NO checkbox for this question.

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: Virginia Lopez

Title: Regulatory Technician Date: 2/16/2010 Email: virginia@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. Nashin Director of COGCC Date: 4/1/2010

API NUMBER

05 123 31345 00

Permit Number: _____ Expiration Date: 3/30/2012

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 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 and from 200' below Shannon to 200' above Sussex. Verify coverage with cement bond log. 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------------|----------------------|
| 1770106 | SURFACE CASING CHECK | LF@2437914 1770106 |
| 400038402 | 30 DAY NOTICE LETTER | LF@2428372 400038402 |
| 400038403 | PLAT | LF@2428373 400038403 |
| 400038404 | TOPO MAP | LF@2428374 400038404 |
| 400038649 | DEVIATED DRILLING PLAN | LF@2428375 400038649 |
| 400043692 | SURFACE AGRMT/SURETY | LF@2428376 400043692 |
| 400043698 | FORM 2 SUBMITTED | LF@2428377 400043698 |

Total Attach: 7 Files