

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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Document Number:

1760758

Plugging Bond Surety

20040030

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: AEON ENERGY CORP

4. COGCC Operator Number: 710

5. Address: 7551 W ALAMEDA AVE STE 402

City: LAKEWOOD State: CO Zip: 80226

6. Contact Name: BARRY L. SNYDER Phone: (303)922-0590 Fax: (303)239-0590
Email: AEONCO@AOL.COM

7. Well Name: KATHI J Well Number: 42-1

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

9. Proposed Total Measured Depth: 2900

WELL LOCATION INFORMATION

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

Latitude: 40.963150 Longitude: -102.539360

Footage at Surface: 1930 FNL/FSL FNL 610 FEL/FWL FEL

11. Field Name: SEDGWICK DRAW Field Number: 76908

12. Ground Elevation: 3725 13. County: SEDGWICK

14. GPS Data:

Date of Measurement: 09/08/2008 PDOP Reading: 3.4 Instrument Operator's Name: SCOTT DEMANCHE

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: 610 ft

18. Distance to nearest property line: 610 ft 19. Distance to nearest well permitted/completed in the same formation: 884 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		40	SE4NE4

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):
ALL SEC 1-T11N-R47W AND OTHER LANDS.

25. Distance to Nearest Mineral Lease Line: 610 ft 26. Total Acres in Lease: 640

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: STEEL MUD TANKS

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+7/8	7	20	335	175	335	0
1ST	6+1/4	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 PIPE WILL BE USED. NOTHING HAS CHANGED SINCE ORIGINAL APD WAS APPROVED AS API #115-06075.00 Aeon Energy Corp requests approval of a Rule 318 a. exception location: Wellhead is to be located less than 1200' (844') from the nearest well producing/permitted to the same common source of supply.

34. Location ID: 316902

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: BARRY L. SNYDER

Title: PRESIDENT Date: 3/10/2010 Email: AEONCO@AOL.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: 5/14/2010

API NUMBER

05 115 06075 00

Permit Number: _____ Expiration Date: 5/13/2012

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 MIRU to Colby Horton at 970-370-0040 or colby.horton@state.co.us..
2. Set surface casing per Rule 317d, cement to surface. 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 200' above Niobrara. Verify coverage with cement bond log. 4. If well is a dry hole set the following plugs: a) 35 sks cement from 50' above Niobrara top up b) 35 sks cement ½ out, ½ in surface casing c) 10 sks cement at top of surface casing, cut casing 4' below GL, weld on plate, 5 sks cement in rat hole and 5 sks cement in mouse hole. Restore surface location.

Attachment Check List

Att Doc Num	Name	Doc Description
1760758	APD ORIGINAL	LF@2449997 1760758
1760760	30 DAY NOTICE LETTER	LF@2449998 1760760
1760761	EXCEPTION LOC REQUEST	LF@2449999 1760761
1760762	EXCEPTION LOC WAIVERS	LF@2450000 1760762

Total Attach: 4 Files