

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 ☐

Refilling ☒

Sidetrack ☐

Document Number:

1760728

Plugging Bond Surety

20040030

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: STATE Well Number: 23-36

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

9. Proposed Total Measured Depth: 2900

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 36 Twp: 12N Rng: 47W Meridian: 6

Latitude: 40.972840 Longitude: -102.549470

Footage at Surface: 1600 FNL/FSL FSL 1980 FEL/FWL FWL

11. Field Name: SEDGWICK DRAW Field Number: 76908

12. Ground Elevation: 3692 13. County: SEDGWICK

14. GPS Data:

Date of Measurement: 09/09/2008 PDOP Reading: 3.0 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: 443 ft

18. Distance to nearest property line: 1600 ft 19. Distance to nearest well permitted/completed in the same formation: 917 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	NESW

21. Mineral Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian Lease #: 8552.5

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 36-T12N-R47W

25. Distance to Nearest Mineral Lease Line: 1600 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	300	175	300	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 #115-06080-00.

34. Location ID: 399695

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 06080 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
1760728	APD ORIGINAL	LF@2450006 1760728
1760735	30 DAY NOTICE LETTER	LF@2450007 1760735
1760736	EXCEPTION LOC WAIVERS	LF@2450009 1760736
1760737	EXCEPTION LOC REQUEST	LF@2450008 1760737

Total Attach: 4 Files