

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:

400063064

Plugging Bond Surety

20090025

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: AUGUSTUS ENERGY PARTNERS LLC

4. COGCC Operator Number: 10275

5. Address: P O BOX 250

City: WRAY State: CO Zip: 80758

6. Contact Name: Loni Davis Phone: (970)332-3585 Fax: (970)332-3587

Email: ldavis@augustusenergy.com

7. Well Name: Roundtree Well Number: 21-35 1N46W

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

9. Proposed Total Measured Depth: 2499

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 35 Twp: 1N Rng: 46W Meridian: 6

Latitude: 40.015130 Longitude: -102.485270

Footage at Surface: 868 FNL/FSL 1824 FEL/FWL FWL

11. Field Name: Yodel Field Number: 98640

12. Ground Elevation: 3942 13. County: YUMA

14. GPS Data:

Date of Measurement: 05/06/2010 PDOP Reading: 1.9 Instrument Operator's Name: Waylon Binger

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: 868 ft

18. Distance to nearest property line: 460 ft 19. Distance to nearest well permitted/completed in the same formation: 1146 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 | | | |

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 Bond ☐ \$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):
1N46W, Sec 26: W2SE/4, SW/4, Sec 27: S2, Sec 35: N2NW/4

25. Distance to Nearest Mineral Lease Line: _____ 460 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: _____

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+1/2 | 7+1 | 20 | 380 | 200 | 380 | 0 |
| 1ST | 6+1/2 | 4+1/2 | 10 | 2,499 | 75 | 2,499 | 1,700 |

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

33. Comments No conductor casing will be used. This location was originally permitted by Berry Petroleum Company, and was abandoned on their behalf, but Augustus Energy is re-filing the APD to drill. A change of operator Form 4 will be submitted for the change of operator. All other conditions remain the same. Change TD to 2,499'; casing setting depth to 2,499'; cement BTM to 2,499' per Loni on 6-10-10 JLV

34. Location ID: _____ 411746 _____

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: Loni J. Davis _____

Title: Oper. Acctg. & Reg. Spec. _____ Date: 5/19/2010 _____ Email: ldavis@augustusenergy.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: 6/11/2010

API NUMBER

05 125 10928 00

Permit Number: _____ Expiration Date: 6/10/2012

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 spud to Colby Horton at 970-867-2517 or e-mail at colby.horton@state.co.us
 - 2) Set surface casing at least 50' into Pierre Shale for aquifer coverage, (380' minimum - as proposed). 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 a minimum of 200' above Niobrara. Verify coverage with cement bond log.
 - 4) If dry hole, set 35 sks cement 50' above Niobrara top, 35 sks cement ½ out, ½ in surface casing, 10 sks cement at top of surface casing, cut casing 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole.
- The producing interval must be above 2500 feet in depth.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|----------------------|----------------------|
| 2553881 | SURFACE CASING CHECK | LF@2486451 2553881 |
| 400063064 | FORM 2 SUBMITTED | LF@2479823 400063064 |
| 400063112 | WELL LOCATION PLAT | LF@2479824 400063112 |
| 400063118 | TOPO MAP | LF@2479825 400063118 |
| 400063131 | SURFACE AGRMT/SURETY | LF@2479826 400063131 |
| 400063151 | 30 DAY NOTICE LETTER | LF@2479827 400063151 |

Total Attach: 6 Files