

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:

2557688

Plugging Bond Surety

20060057

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: DIVERSIFIED OPERATING CORPORATION

4. COGCC Operator Number: 24461

5. Address: 15000 W 6TH AVE STE 102

City: GOLDEN State: CO Zip: 80401

6. Contact Name: BILL WARBURTON Phone: (303)384-9611 Fax: (303)384-9612

Email: WLW@DOCCOLO.COM

7. Well Name: BABB Well Number: 14-7

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

9. Proposed Total Measured Depth: 7000

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 14 Twp: 6N Rng: 61W Meridian: 6

Latitude: 40.489040 Longitude: -104.173980

Footage at Surface: 2361 FNL/FSL FNL 2118 FEL/FWL FEL

11. Field Name: DOLLEY Field Number: 17240

12. Ground Elevation: 4672 13. County: WELD

14. GPS Data:

Date of Measurement: 05/24/2010 PDOP Reading: 2.8 Instrument Operator's Name: NEAL MCCORMICK

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: 2919 ft

18. Distance to nearest property line: 600 ft 19. Distance to nearest well permitted/completed in the same formation: 2180 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.)
D SAND	DSND		80	NWSE, SWNE
J SAND	JSND		80	NWSE, SWNE

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):
WEST HALF OF THE EAST HALF OF SECTION 14 T6N R61W 6THPM

25. Distance to Nearest Mineral Lease Line: 600 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: DRY AND BACKFILL

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	11	8+5/8	24	400	200	400	0
1ST	7+7/8	5+1/2	15.5	7,000	275	7,000	5,000

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

33. Comments NO CONDUCTOR PIPE WILL BE USED TO DRILL SURFACE HOLE. OPERATOR REQUESTS APPROVAL FOR AN EXCEPTION LOCATION TO RULE 318Aa. WAIVER ATTACHED.

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: BILL WARBURTON

Title: PETROLEUM ENGINEER Date: 6/4/2010 Email: WLW@DOCCOLO.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: 7/11/2010

API NUMBER

05 123 31834 00

Permit Number: _____ Expiration Date: 7/10/2012

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.

COGCC ENG COA – SME

- 1) Provide 24 hr notice of spud to Bo Brown at 970-392-4124 or e-mail at bo.brown@state.co.us .
- 2) If completed, provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) If dry hole, set 60 sks cement from 50' below D Sand base to 100' above D Sand top, 40 sks cement 50' above Niobrara top, 50 sks cement ½ out, ½ in surface casing, 10 sks cement top of surface casing, cut 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole. Restore surface location.

Attachment Check List

Att Doc Num	Name	Doc Description
1725940	SURFACE CASING CHECK	LF@2497715 1725940
2529169	EXCEPTION LOC WAIVERS	LF@2503344 2529169
2529170	EXCEPTION LOC REQUEST	LF@2503343 2529170
2557688	APD ORIGINAL	LF@2486016 2557688
2557689	WELL LOCATION PLAT	LF@2486017 2557689
2557690	LOCATION PICTURES	LF@2486043 2557690
2557691	LOCATION PICTURES	LF@2486044 2557691
2557692	TOPO MAP	LF@2486045 2557692
2557693	MINERAL LEASE MAP	LF@2486046 2557693
2557694	OTHER	LF@2486019 2557694
2557695	30 DAY NOTICE LETTER	LF@2486018 2557695

Total Attach: 11 Files