

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:

400065068

Plugging Bond Surety

20100027

3. Name of Operator: ESENJAY OPERATING INC

4. COGCC Operator Number: 10326

5. Address: 500 N. WATER STREET - STE 1100S

City: CORPUS CHRISTI State: TX Zip: 78471

6. Contact Name: Fabrianna Venaducci Phone: (303)2790789 Fax: (303)2791124
Email: fabrianna@jameskaro.com

7. Well Name: Kross Well Number: 8-12

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

9. Proposed Total Measured Depth: 6850

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 8 Twp: 6N Rng: 59W Meridian: 6

Latitude: 40.500810 Longitude: -104.010370

Footage at Surface: 2044 FNL/FSL FSL 822 FEL/FWL FWL

11. Field Name: wildcat Field Number: 99999

12. Ground Elevation: 4879 13. County: MORGAN

14. GPS Data:

Date of Measurement: 06/15/2010 PDOP Reading: 1.9 Instrument Operator's Name: Michael Feigenbaum

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: 792 ft

18. Distance to nearest property line: 822 ft 19. Distance to nearest well permitted/completed in the same formation: 1755 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.)
J Sand	JSND		160	SW/4

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#: 20100126

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):
SW/4, SW/4NW/4, Sec 8, Township 6N, Range 59W, 6th PM.

25. Distance to Nearest Mineral Lease Line: 787 ft 26. Total Acres in Lease: 200

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	410	205	410	0
1ST	7+7/8	5+1/2	15.5	6,850	485	6,850	2,000

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

33. Comments Nearest Road is 792' to the West (MCR 7). Nearest well is the proposed Kross 8-14 in the SESW, Sec 8, T6N, R59W. No conductor casing will be used. A surface bond in the amount of \$2000 is in place in lieu of surface damage agreement.

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: Fabrianna Venaducci

Title: Contract Landman Date: 6/22/2010 Email: fabrianna@jameskaro.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: 7/22/2010

API NUMBER

05 087 08155 00

Permit Number: _____ Expiration Date: 7/21/2012

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) Note surface casing setting depth change from 300' to 411'. Increase cement coverage accordingly and cement to surface.
- 2) Provide 24 hr notice of spud to Colby Horton at 970-467-2517 or e-mail at colby.horton@state.co.us.
- 3) If completed, provide cement coverage from TD to a minimum of 200' above D Sand. Verify coverage with cement bond log.
- 4) 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.

Attachment Check List

Att Doc Num	Name	Doc Description
400065068	FORM 2 SUBMITTED	LF@2496352 400065068
400069782	MINERAL LEASE MAP	LF@2496353 400069782
400071631	PLAT	LF@2496354 400071631
400071989	SURFACE AGRMT/SURETY	LF@2496355 400071989

Total Attach: 4 Files