

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



DE ET OE ES

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 ☐

Document Number:

400064535

Plugging Bond Surety

20060007

3. Name of Operator: BLACK HILLS PLATEAU PRODUCTION LLC

4. COGCC Operator Number: 10150

5. Address: 1515 WYNKOOP ST STE 500

City: DENVER State: CO Zip: 80202

6. Contact Name: Jessica Donahue Phone: (720)210-1333 Fax: (303)566-3344

Email: Jessica.Donahue@blackhillscorp.com

7. Well Name: Grunow Well Number: 3-26

8. Unit Name (if appl): Chalk Mountain Unit Number: COC47604X

9. Proposed Total Measured Depth: 7985

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 26 Twp: 10s Rng: 97w Meridian: 6

Latitude: 39.162160 Longitude: -108.184640

Footage at Surface: 1397 FNL/FSL FNL 2357 FEL/FWL FEL

11. Field Name: Plateau Field Number: 69300

12. Ground Elevation: 6334 13. County: MESA

14. GPS Data:

Date of Measurement: 06/10/2008 PDOP Reading: 2.3 Instrument Operator's Name: Brock Slaugh

15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1958 FNL 2478 FWL 1985 FNL 2453 FWL
Sec: 26 Twp: 10s Rng: 97w Sec: 26 Twp: 10s Rng: 97w

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: 400 ft

18. Distance to nearest property line: 209 ft 19. Distance to nearest well permitted/completed in the same formation: 1343 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.)
Cedar Mountain	CDMTN			
Frontier	FRTR			
Mancos	MNCS			
Mowry	MWRY			
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):
T10S R97W Sect. 26: NE/4, SE/4, NW/4, N/2SW/4; Sect. 23: SW/4, SE/4

25. Distance to Nearest Mineral Lease Line: 700 ft 26. Total Acres in Lease: 880

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
CONDUCTOR	24	20	H-40 94#	40		40	0
SURF	12+1/4	8+5/8	J-55 24#	825	385	825	0
1ST	7+7/8	5+1/2	L80 17#	7,982	1,095	7,982	1,672

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

33. Comments _____

34. Location ID: 312733

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: Jessica Donahue

Title: Regulatory Technician Date: 6/18/2010 Email: Jessica.Donahue@blackhillscor

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: 8/20/2010

API NUMBER

05 077 09197 00

Permit Number: _____ Expiration Date: 8/19/2012

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

Attachment Check List

Att Doc Num	Name	Doc Description
400064535	FORM 2 SUBMITTED	LF@2500522 400064535
400070798	DRILLING PLAN	LF@2500523 400070798
400070799	OTHER	LF@2500524 400070799
400070800	OTHER	LF@2500525 400070800
400073418	SURFACE AGRMT/SURETY	LF@2500526 400073418

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	PERMITTING PASSED. Sundry Notice dated 7/31/08 w/plat changed SHL.	8/5/2010 2:22:00 PM

Total: 1 comment(s)

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