

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:

400089839

Plugging Bond Surety

20090025

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: Conrad Well Number: 42-06 3N45W

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

9. Proposed Total Measured Depth: 2815

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 6 Twp: 3N Rng: 45W Meridian: 6

Latitude: 40.259275 Longitude: -102.436163

Footage at Surface: 2111 FNL/FSL FNL 591 FEL/FWL FEL

11. Field Name: Eckley Field Number: 19415

12. Ground Elevation: 3961 13. County: YUMA

14. GPS Data:

Date of Measurement: 08/24/2010 PDOP Reading: 1.5 Instrument Operator's Name: Chris Pearson

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: 2 mi

18. Distance to nearest property line: 970 ft 19. Distance to nearest well permitted/completed in the same formation: 1142 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	353-4	160	NE

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):
 3N45W, Sec 5: SWNW, SW, Sec 6: NWNW,SWNW,S2NE,SE, 3N46W, Sec 1: NWNW,NENW,SWNE, SESE, SENW, 4N45W,
 Sec 30: SESW, Sec 31: NE, Sec 32, W2NW, 4N46W, Sec 25: All

25. Distance to Nearest Mineral Lease Line: 970 ft 26. Total Acres in Lease: 1640

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+7/8	7	20	350	200	350	0
1ST	6+1/4	4+1/2	10.5	2,815	75	2,815	2,015

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

33. Comments No conductor casing will be used. We were unable to get all the required documents signed. Attached is a summary of attempts to get requested signatures.

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: Loni J. Davis

Title: Oper Acctg & Reg Spec Date: 9/16/2010 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: 10/19/2010

API NUMBER

05 125 11938 00

Permit Number: _____ Expiration Date: 10/18/2012

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, (350' 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.

Attachment Check List

Att Doc Num	Name	Doc Description
2511314	SURFACE CASING CHECK	LF@2545995 2511314
400089839	FORM 2 SUBMITTED	LF@2543614 400089839
400089943	PLAT	LF@2543615 400089943
400089944	TOPO MAP	LF@2543616 400089944
400089945	CONST. LAYOUT DRAWINGS	LF@2543617 400089945
400093399	30 DAY NOTICE LETTER	LF@2543618 400093399
400093400	OTHER	LF@2543619 400093400

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	PERMITTING PASSED JLV	10/18/2010 11:51:52 AM
Permit	Called Operator to discuss SUA; the oil and gas lease is the primary mechanism to address surface owner protection JLV.	10/18/2010 11:51:44 AM
Permit	Ready to pass W/O SUA 2nd signature or Bonding JLV.	10/15/2010 4:35:14 PM

Total: 3 comment(s)

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