

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 ☐

Refiling ☐
Sidetrack ☐

Document Number:

400088892

Plugging Bond Surety

20100098

3. Name of Operator: REX ENERGY ROCKIES LLC 4. COGCC Operator Number: 10336

5. Address: 9200 E. PANORAMA CIRCLE - STE #120
City: ENGLEWOOD State: CO Zip: 80112

6. Contact Name: Terry L. Hoffman Phone: (303)250-0619 Fax: (303)412-8212
Email: tlhoffman@q.com

7. Well Name: Shapley Well Number: 14-25H

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

9. Proposed Total Measured Depth: 9900

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 25 Twp: 10N Rng: 57W Meridian: 6
Latitude: 40.804840 Longitude: -103.705290

Footage at Surface: 661 feet FNL/FSL FSL 664 feet FEL/FWL FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 4679 13. County: WELD

14. GPS Data:

Date of Measurement: 06/10/2010 PDOP Reading: 2.5 Instrument Operator's Name: Clayton Rosenlund

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

Footage at Top of Prod Zone: FNL/FSL 660 FSL 1108 FWL FWL Bottom Hole: FNL/FSL 660 FSL 660 FEL/FWL FEL
Sec: 25 Twp: 10N Rng: 57W Sec: 25 Twp: 10N Rng: 57W

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: 3482 ft

18. Distance to nearest property line: 661 ft 19. Distance to nearest well permitted/completed in the same formation: 5280 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):
Section 25, T10N, R57W: S/2

25. Distance to Nearest Mineral Lease Line: 660 ft 26. Total Acres in Lease: 320

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	Wt/Ft	Csg/Line Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	20	16	42		60	7	60	0
SURF	13+1/2	9+5/8	36		1,000	425	1,000	0
1ST	8+3/4	7	26		5,400	535	5,400	800
1ST LINER	6+1/8	4+1/2	11.6		9,360	0		

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

33. Comments All measurements of 5280' are one mile or greater.

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: Terry L. Hoffman

Title: Permit Agent Date: 11/24/2010 Email: tlhoffman@q.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: 12/21/2010

API NUMBER 05 123 32760 00	Permit Number: _____ Expiration Date: <u>12/20/2012</u>
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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 MIRU to Colby Horton at 970-370-0040 or colby.horton@state.co.us.
- 2) Set surface casing per Rule 317d, cement to surface. 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 the first casing shoe to a minimum of 200' above Niobrara. Verify cement with a cement bond log.
- 4) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

Att Doc Num	Name
2530024	WAIVERS
2591364	CORRESPONDENCE
400088892	FORM 2 SUBMITTED
400088909	WELL LOCATION PLAT
400111211	DEVIATED DRILLING PLAN
400111306	CORRESPONDENCE
400111328	30 DAY NOTICE LETTER

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	replaced correspondence attachment.	12/13/2010 11:13:29 AM
Permit	Correspondence attachment will not open.	11/29/2010 6:49:41 AM

Total: 2 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)