

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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| DE | ET | OE | ES |
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Document Number:

400143324

Plugging Bond Surety

20100085

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: LARIO OIL & GAS COMPANY 4. COGCC Operator Number: 49888

5. Address: PO BOX 29
City: DENVER State: CO Zip: 80201

6. Contact Name: Christopher Noonan Phone: (303)820-4480 Fax: (303)820-4124
Email: bob@banko1.com

7. Well Name: Grimm Well Number: 34-4H

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

9. Proposed Total Measured Depth: 7600

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 34 Twp: 4S Rng: 64W Meridian: 6

Latitude: 39.665610 Longitude: -104.542120

Footage at Surface: 260 feet FNL 1320 feet FWL
FNL/FSL FEL/FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 5751 13. County: ARAPAHOE

14. GPS Data:

Date of Measurement: 03/11/2011 PDOP Reading: 1.2 Instrument Operator's Name: K. Daley

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
649 FNL 1980 FWL 650 FSL 660 FWL
Sec: 34 Twp: 4S Rng: 64W Sec: 34 Twp: 4S Rng: 64W

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: 990 ft

18. Distance to nearest property line: 260 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 #: D0065142

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):
 Fee Lease D0065142: T4S R64W Sec 34: NW/4, N/2NE/4, SE/4NE/4. Fee Lease D0043215: T4S R64W Sec 34: S/2, SW/4NE/4

25. Distance to Nearest Mineral Lease Line: 260 ft 26. Total Acres in Lease: 640

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 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? Yes No

31. Mud disposal: Offsite Onsite **If 28, 29, or 30 are "Yes" a pit permit may be required.**

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/Liner Top | Setting Depth | Sacks Cmt | Cmt Btm | Cmt Top |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| CONDUCTOR | 20 | 16 | | 0 | 60 | 50 | 60 | 0 |
| SURF | 13+1/2 | 9+5/8 | 36 | 0 | 2,000 | 605 | 2,000 | 0 |
| 1ST | 9+3/4 | 7 | 23 | 0 | 6,865 | 585 | 6,865 | 0 |
| 1ST LINER | 6+1/4 | 4+1/2 | 11.6 | 6865 | 12,115 | 930 | 12,115 | 7,215 |

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

33. Comments BHL will be within a 50' radius of stated landing point, while remaining in a legal location from the section and mineral lease lines. The production tubing will be perforated and frac'ed in a legal location with the first perf sleeve set at ±8,230' MD.

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: Christopher A. Noonan

Title: Permit Agent Date: _____ Email: bob@banko1.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: _____ Director of COGCC Date: _____

Permit Number: _____ Expiration Date: _____

API NUMBER

05

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.

Empty rectangular box for additional information.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400143640 | EQUIPMENT LIST |
| 400143641 | WELL LOCATION PLAT |
| 400143642 | ACCESS ROAD MAP |
| 400144258 | DEVIATED DRILLING PLAN |
| 400144259 | DEVIATED DRILLING PLAN |
| 400144260 | FORM 2A |
| 400144261 | |

Total Attach: 7 Files

General Comments

| User Group | Comment | Comment Date |
|------------|---------|--------------|
| | | |

Total: 0 comment(s)

BMP

| Type | Comment |
|------|---------|
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Total: 0 comment(s)