


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		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">DE</td> <td style="width: 25%;">ET</td> <td style="width: 25%;">OE</td> <td style="width: 25%;">ES</td> </tr> </table>	DE	ET	OE	ES
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APPLICATION FOR PERMIT TO:			Document Number: 400140859 Plugging Bond Surety 20100085				
1. <input checked="" type="checkbox"/> Drill, <input type="checkbox"/> Deepen, <input type="checkbox"/> Re-enter, <input type="checkbox"/> Recomplete and Operate							
2. TYPE OF WELL OIL <input type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER <input type="checkbox"/> <u>MONITORING WELL</u> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> COMMINGLE ZONE <input type="checkbox"/>		Refiling <input type="checkbox"/> Sidetrack <input type="checkbox"/>					
3. Name of Operator: <u>LARIO OIL & GAS COMPANY</u>		4. COGCC Operator Number: <u>49888</u>					
5. Address: <u>PO BOX 29</u> City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80201</u>							
6. Contact Name: <u>Christopher Noonan</u> Phone: <u>(303)820-4480</u> Fax: <u>(303)820-4124</u> Email: <u>bob@banko1.com</u>							
7. Well Name: <u>Tebo</u>		Well Number: <u>32-1M</u>					
8. Unit Name (if appl): _____		Unit Number: _____					
9. Proposed Total Measured Depth: <u>8900</u>							
WELL LOCATION INFORMATION							
10. QtrQtr: <u>SENE</u> Sec: <u>32</u> Twp: <u>4S</u> Rng: <u>64W</u> Meridian: <u>6</u> Latitude: <u>39.660580</u> Longitude: <u>-104.570410</u>							
Footage at Surface: <u>2254</u> feet FNL/FSL <u>FNL</u> <u>1300</u> feet FEL/FWL <u>FEL</u>							
11. Field Name: <u>Wildcat</u>		Field Number: <u>99999</u>					
12. Ground Elevation: <u>5859</u>		13. County: <u>ARAPAHOE</u>					
14. GPS Data: Date of Measurement: <u>03/02/2011</u> PDOP Reading: <u>2.0</u> Instrument Operator's Name: <u>K. Daley</u>							
15. If well is <input type="checkbox"/> Directional <input type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
17. Distance to the nearest building, public road, above ground utility or railroad: <u>3965 ft</u>							
18. Distance to nearest property line: <u>1300 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>5280 ft</u>							
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	393-1					

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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#: 20100086

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):
T4S R64W Sec. 28: W/2, Sec. 29: All, Sec. 32: All, Sec. 33: W/2; T5S R64W Sec. 1: Lots 1, 2, S/2N/2, S/2, Sec. 3: Lots 1, 3, 4, S/2N/2, S/2; T5S R63W Sec. 6: Lots 1, 2, 3, 4 S/2NE/4, SE/4NW/4, E/2SW/4, SE/4

25. Distance to Nearest Mineral Lease Line: 1300 ft 26. Total Acres in Lease: 4473

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	12+1/4	8+5/8	24	0	2,025	915	2,025	0
1ST	7+7/8	5+1/2	17	0	8,900	900	8,900	6,600

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

33. Comments _____

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: 3/14/2011 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: David S. Neslin Director of COGCC Date: 4/8/2011

API NUMBER

05 005 07160 00

Permit Number: _____ Expiration Date: 4/7/2013

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.

Note surface casing setting depth change from 2000' to 2025'. Increase cement coverage accordingly and cement to surface.

- 1) Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at jim.precup@state.co.us.
- 2) If completed, provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) 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. Restore surface location.

PROPOSED HORIZONTAL WELL BORE IS TO BE DRILLED INTO UNLEASED FEDERAL MINERALS. OPERATOR DISCUSSION WITH BLM REQUIRED: UNLEASED FEDERAL MINERALS CANNOT BE DRILLED UPON/PRODUCED REGARDLESS OF SPACING ORDER: REQUIRED SETBACKS TO BE MAINTAINED---INTERAGENCY DISCUSSION PURSUANT TO MOU COGCC,BLM,USFS 6-24-09 H.2.d

Attachment Check List

Att Doc Num	Name
2111251	SURFACE CASING CHECK
400140859	FORM 2 SUBMITTED
400142483	WELL LOCATION PLAT
400142484	ACCESS ROAD MAP
400142485	EQUIPMENT LIST
400142898	DRILLING PLAN

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Well is on unleased federal minerals. The fed subsurface says its for coal only.	3/17/2011 2:29:57 PM
Permit	Corrected well type and zone as per opr request. sf	3/16/2011 8:39:01 AM
Permit	Back to draft at opr's request. sf	3/15/2011 10:35:21 AM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)