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|--|--|---|---|--------------------------------------|----|----|----|
| <b>FORM</b><br><b>2</b><br>Rev<br>12/05  | <b>State of Colorado</b><br><b>Oil and Gas Conservation Commission</b><br>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><br>Document Number:<br><br>400156342<br><br>Plugging Bond Surety | DE                                   | ET | OE | ES |
| DE   | ET   | OE  | ES  |                                      |    |    |    |
| <b>APPLICATION FOR PERMIT TO:</b>  |  |   |   |                                      |    |    |    |
| 1. <input checked="" type="checkbox"/> <b>Drill,</b> <input type="checkbox"/> Deepen, <input type="checkbox"/> Re-enter, <input type="checkbox"/> Recomplete and Operate   |  |   |   |                                      |    |    |    |
| 2. TYPE OF WELL<br>OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____<br>SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> COMMINGLE ZONE <input type="checkbox"/>   |  | Refiling <input type="checkbox"/><br>Sidetrack <input type="checkbox"/>             |   |                                      |    |    |    |
| 3. Name of Operator: <u>AUGUSTUS ENERGY PARTNERS LLC</u>   |  | 4. COGCC Operator Number: <u>10275</u>  |   |                                      |    |    |    |
| 5. Address: <u>P O BOX 250</u><br>City: <u>WRAY</u> State: <u>CO</u> Zip: <u>80758</u>   |  |   |   |                                      |    |    |    |
| 6. Contact Name: <u>Loni Davis</u> Phone: <u>(970)332-3585</u> Fax: <u>(970)332-3587</u><br>Email: <u>ldavis@augustusenergy.com</u>  |  |   |   |                                      |    |    |    |
| 7. Well Name: <u>JP Brophy Federal</u>   |  | Well Number: <u>12-29 4N45W</u>   |   |                                      |    |    |    |
| 8. Unit Name (if appl): _____  |  | Unit Number: _____  |   |                                      |    |    |    |
| 9. Proposed Total Measured Depth: <u>2900</u>  |  |   |   |                                      |    |    |    |
| <b>WELL LOCATION INFORMATION</b>   |  |   |   |                                      |    |    |    |
| 10. QtrQtr: <u>SWNW</u> Sec: <u>29</u> Twp: <u>4N</u> Rng: <u>45W</u> Meridian: <u>6</u><br>Latitude: <u>40.286713</u> Longitude: <u>-102.431147</u>   |  |   |   |                                      |    |    |    |
| Footage at Surface: <u>2535</u> feet      FNL/FSL <u>FNL</u> <u>735</u> feet      FEL/FWL <u>FWL</u>   |  |   |   |                                      |    |    |    |
| 11. Field Name: <u>Eckley</u>  |  | Field Number: <u>19415</u>  |   |                                      |    |    |    |
| 12. Ground Elevation: <u>3888</u>  |  | 13. County: <u>YUMA</u>   |   |                                      |    |    |    |
| 14. GPS Data:<br>Date of Measurement: <u>09/01/2010</u> PDOP Reading: <u>1.8</u> Instrument Operator's Name: <u>Chris Pearson</u>  |  |   |   |                                      |    |    |    |
| 15. If well is <input type="checkbox"/> Directional <input type="checkbox"/> Horizontal (highly deviated) <b>submit deviated drilling plan.</b><br>Footage at Top of Prod Zone: FNL/FSL _____ FEL/FWL _____ Bottom Hole: FNL/FSL _____ FEL/FWL _____<br>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>3 mi</u>   |  |   |   |                                      |    |    |    |
| 18. Distance to nearest property line: <u>735 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>1250 ft</u>  |  |   |   |                                      |    |    |    |
| <b>20. LEASE, SPACING AND POOLING INFORMATION</b>  |  |   |   |                                      |    |    |    |
| 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   | NW/4                                 |    |    |    |

**IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.**

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC 013290  
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):  
4N45W, Sec 29: All, Sec 30 SE/4  
25. Distance to Nearest Mineral Lease Line: 735 ft 26. Total Acres in Lease: 800

**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 |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| SURF        | 9+7/8        | 7              | 17    | 1             | 438           | 200       | 438     | 0       |
| 1ST         | 6+1/4        | 4+1/2          | 10.5  | 1             | 2,950         | 210       | 2,950   | 0       |

32. BOP Equipment Type: ☒ Annular Preventer ☐ Double Ram ☐ Rotating Head ☐ None  
33. Comments No Conductor Casing will be used.

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: 5/2/2011 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: 5/29/2011

**API NUMBER**

05 125 11976 00

Permit Number: \_\_\_\_\_ Expiration Date: 5/28/2013

**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.**

- 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, (438' 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                  |
|-------------|-----------------------|
| 2566883     | SURFACE CASING CHECK  |
| 400156342   | FORM 2 SUBMITTED      |
| 400156412   | PLAT                  |
| 400156414   | TOPO MAP              |
| 400156416   | EXCEPTION LOC WAIVERS |
| 400156417   | 30 DAY NOTICE LETTER  |
| 400156418   | SURFACE AGRMT/SURETY  |
| 400156471   | EXCEPTION LOC REQUEST |
| 400160993   | FED. DRILLING PERMIT  |

Total Attach: 9 Files

### **General Comments**

| <b><u>User Group</u></b> | <b><u>Comment</u></b> | <b><u>Comment Date</u></b> |
|--------------------------|-----------------------|----------------------------|
|                          |                       |                            |

Total: 0 comment(s)

### **BMP**

| <b><u>Type</u></b>             | <b><u>Comment</u></b>  |
|--------------------------------|--|
| Drilling/Completion Operations | <p>To address construction during drilling and all other operations associated with Oil and Gas development throughout Northern Yuma County, Colorado area StormWater Management Plans(SWMP) are in place and in compliance with the Colorado Department of Health and Environment (CDPHE) under Permit # COR-039921.</p> <p>Best Management Practices (BMP's) will be reviewed and maintained prior to, during and after construction of drilling site, laying of flowlines, installation of surface equipment and reclamation of site. Each location's BMP's will vary according to terrain and phase of construction and will be implemented in accordance to SWMP.</p> <p>Regular location inspections will be performed and any BMP's not effectively working will be documented and resolved in a timely manner.</p> <p>Spill Prevention, Control and Countermeasures will be implemented. Should any spills occur they will be cleaned up immediately and effectively to minimize any integration with storm water runoff. General good housekeeping practices will be performed to keep spills at a minimum.</p> |

Total: 1 comment(s)