


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: <div style="text-align: center;">400148566</div> Plugging Bond Surety <div style="text-align: center;">20100210</div>				
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 checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" 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>XTO ENERGY INC</u>		4. COGCC Operator Number: <u>100264</u>					
5. Address: <u>382 CR 3100</u> City: <u>AZTEC</u> State: <u>NM</u> Zip: <u>87410</u>							
6. Contact Name: <u>Kelly Kardos</u> Phone: <u>(505)333-3145</u> Fax: <u>(505)213-0546</u> Email: <u>kelly_kardos@xtoenergy.com</u>							
7. Well Name: <u>PARGIN</u>		Well Number: <u>2-36</u>					
8. Unit Name (if appl): _____		Unit Number: _____					
9. Proposed Total Measured Depth: <u>3278</u>							
WELL LOCATION INFORMATION							
10. QtrQtr: <u>SESE</u> Sec: <u>36</u> Twp: <u>33N</u> Rng: <u>7W</u> Meridian: <u>N</u> Latitude: <u>37.056590</u> Longitude: <u>-107.554750</u>							
Footage at Surface: <u>1235</u> feet FNL/FSL <u>FSL</u> <u>1130</u> feet FEL/FWL <u>FEL</u>							
11. Field Name: <u>IGNACIO BLANCO</u>		Field Number: <u>38300</u>					
12. Ground Elevation: <u>6462</u>		13. County: <u>LA PLATA</u>					
14. GPS Data: Date of Measurement: <u>04/27/2010</u> PDOP Reading: <u>1.3</u> Instrument Operator's Name: <u>DAVID A. JOHNSON</u>							
15. If well is <input checked="" 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 <div style="display: flex; justify-content: space-around;"> <u>1835</u> <u>FSL</u> <u>755</u> <u>FEL</u> <u>1980</u> <u>FSL</u> <u>660</u> <u>FEL</u> </div> <div style="display: flex; justify-content: space-around;"> Sec: <u>36</u> Twp: <u>33N</u> Rng: <u>7W</u> Sec: <u>36</u> Twp: <u>33N</u> Rng: <u>7W</u> </div>							
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>370 ft</u>							
18. Distance to nearest property line: <u>1130 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>560 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.)			
FRUITLAND COAL	FRLDC	112-185	320	S/2			

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#: _____

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):
T33N, R7W: Sec. 35 SE/4, Sec. 36 S/2

25. Distance to Nearest Mineral Lease Line: _____ 660 ft _____ 26. Total Acres in Lease: _____ 480 _____

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: CLOSED LOOP MUD SYST

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	12+1/4	8+5/8	24	0	372	134	372	0
1ST	7+7/8	5+1/2	15.5	0	3,278	414	3,278	0

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

33. Comments No conductor csg will be set. Proposed well will be drilled from the existing Ute D #1 & Pargin #1-36 well pad.

34. Location ID: 333497

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: Kelly K. Kardos

Title: Sr. Permitting Tech Date: 4/4/2011 Email: kelly_kardos@xtoenergy.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

05 067 09854 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 48 hour notice of spud to COGCC District Engineer-Mark Weems 970-259-4587 or mark.weems@state.co.us
- 2) Set at least 372' of surface casing per Rule 317 (f) cement to surface
- 3) Provide cement coverage of production casing from TD to surface. Verify cement coverage with Cement Bond Log.
- 4) Run and submit Directional Survey from TD to kick-off point
- 5) The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the well bore complies with setback requirements in Commission orders and/or rules prior to producing the well.
- 6) Sample and test two closest water wells within 1/2 mile swath of the directional wellbore.
- 7) Operators are required to obtain a bottom hole pressure utilizing a bottom hole gauge after a minimum 48 hour shut-in period following completion and prior to sales
- 8) Comply with all applicable provisions of Order 112-185

Attachment Check List

Att Doc Num	Name
1857185	SELECTED ITEMS REPORT
400148566	FORM 2 SUBMITTED
400149770	FED. DRILLING PERMIT
400149918	WELL LOCATION PLAT
400149919	TOPO MAP
400149920	SURFACE AGRMT/SURETY
400149922	CONSULT NOTICE
400149923	DEVIATED DRILLING PLAN
400149924	PROPOSED BMPs

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Back to draft. Attachments lost during server crash on 4/1/11. sf	4/4/2011 1:49:11 PM

Total: 1 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Wildlife	<p>The Pargin #2-36 will be drilled from the existing Pargin #1-36 well pad to reduce surface disturbance impacts. Reduces area necessary for well pad construction. Utilize existing infrastructure for operations.</p> <p>A closed-loop mud system will be used during drilling operations.</p> <p>Surface equipment that could be potentially damaging to wildlife will be fenced with cattle panels. Prevents wildlife entry to potentially harmful equipment.</p> <p>The access road will be gated in order to restrict general public access.</p> <p>Construction, drilling and completion activities will be scheduled to avoid critical winter use periods for deer and elk December 1 - April 15.</p> <p>Recycle drilling fluids. Mud systems are dewatered, recycled and water is reused during drilling operations, reducing the amount of water needed to be trucked for drilling operations. Mud can be transported to next drilling location, reducing truck traffic to dispose of drilling fluids.</p> <p>Adhere to the developed weed management plan pursuant to both the La Plata County Land Use Code and Colorado Noxious Weed Act. Protects the productivity of adjacent wildlife habitats.</p> <p>Screen exhaust and vent stacks to preclude avian perching. Standard wildlife friendly seed mixes developed by the CDOW specifically for the San Juan Basin will be used for reclamation.</p> <p>Educate employees and contractors on wildlife conservation practices, including no harassment or feeding of wildlife.</p> <p>Forbid use of firearms and dogs on location.</p> <p>Utilize bear proof dumpsters and trash receptacles for food related trash at all facilities that generate such trash.</p>
Construction	<p>Certificate to Discharge Under CDPS General Permit No. COR-03000 Stormwater Discharges Associated with Construction Certification No. COR03C483. A Field Wide Stormwater Management Plan (SWMP) for the La Plata Infill Program is on file at the XTO Energy Inc. office. A Site Specific SWMP with a Site Plan will be developed for each location. Inspections of the project site and maintenance of BMP's installed shall be conducted in accordance with the CDPHE CDPS permit & field wide plan. Spill Prevention and Counter Measures (SPCC) for the La Plata Infill Program is on file at the XTO Energy Inc. office. The Field SWMP and Site Specific SWMP each address SPCC during construction operations. See attached diagram for site specific BMP's.</p>

Total: 2 comment(s)