

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 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):
N 1/2, Section 27
25. Distance to Nearest Mineral Lease Line: 310 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 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	14+3/4	10+3/4	45.5		680	650	680	0
1ST	9+7/8	7	26		7,065	500	6,610	6,690

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None
33. Comments Please Note that the SUA is located with in the lease. No conductor casing will be used. This permit is a plot hole and has a side track (horizontal) permit DOC # (400097333)

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: Melissa Lasley
Title: Operations Analyst Date: 10/6/2010 Email: mlasley@texasarc.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: 10/28/2010

API NUMBER
05 123 32454 00
Permit Number: _____ Expiration Date: 10/27/2012
CONDITIONS OF APPROVAL, IF ANY:

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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 and if DA to Bo Brown at 970-330-6085 or email at bo.brown@state.co.us.
- 2) Set surface casing per Rule 317d, cement to surface.
- 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, 40 sks cement 50' above Niobrara top, tag 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.

Attachment Check List

Att Doc Num	Name
1726211	SURFACE CASING CHECK
400097224	APD APPROVED
400097886	PLAT
400097888	OIL & GAS LEASE
400097891	30 DAY NOTICE LETTER
400104510	FORM 2 SUBMITTED

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Lease only covers the N/2 portion of the lateral.	10/14/2010 6:45:58 AM
Permit	--add comment corrected the plugging bond number with operator approval/KK	10/7/2010 3:48:11 PM

Total: 2 comment(s)

BMP

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

Total: 0 comment(s)