


<b>FORM</b> <b>2</b> Rev 12/05	<b>State of Colorado</b> <b>Oil and Gas Conservation Commission</b> 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
DE	ET	OE	ES				
<b>APPLICATION FOR PERMIT TO:</b>			Document Number:  400153983  Plugging Bond Surety  20110078				
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 OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> COMMINGLE ZONE <input checked="" type="checkbox"/>		Refiling <input type="checkbox"/> Sidetrack <input type="checkbox"/>					
3. Name of Operator: <u>DAKOTA EXPLORATION LLC</u>		4. COGCC Operator Number: <u>10354</u>					
5. Address: <u>8801 S. YALE AVENUE, SUITE 120</u> City: <u>TULSA</u> State: <u>OK</u> Zip: <u>74137</u>							
6. Contact Name: <u>Fabrianna Venaducci</u> Phone: <u>(303)2790789</u> Fax: <u>(303)2791124</u> Email: <u>fabrianna@jameskaro.com</u>							
7. Well Name: <u>State</u>		Well Number: <u>6-81-24-4</u>					
8. Unit Name (if appl): _____		Unit Number: _____					
9. Proposed Total Measured Depth: <u>8501</u>							
<b>WELL LOCATION INFORMATION</b>							
10. QtrQtr: <u>NWNW</u> Sec: <u>24</u> Twp: <u>6N</u> Rng: <u>81W</u> Meridian: <u>6</u> Latitude: <u>40.480070</u> Longitude: <u>-106.441020</u>							
Footage at Surface: <u>672</u> feet    FNL/FSL <u>FNL</u> <u>1376</u> feet    FEL/FWL <u>FWL</u>							
11. Field Name: <u>wildcat</u>		Field Number: <u>99999</u>					
12. Ground Elevation: <u>8374</u>		13. County: <u>JACKSON</u>					
14. GPS Data: Date of Measurement: <u>10/17/2011</u> PDOP Reading: <u>1.7</u> Instrument Operator's Name: <u>Randall Miller</u>							
15. If well is <input type="checkbox"/> Directional <input checked="" type="checkbox"/> Horizontal (highly deviated) <b>submit deviated drilling plan.</b> Footage at Top of Prod Zone:    FNL/FSL    FEL/FWL    Bottom Hole:    FNL/FSL    FEL/FWL <u>1245</u> <u>FNL</u> <u>1376</u> <u>FWL</u> <u>2083</u> <u>FSL</u> <u>1351</u> <u>FWL</u> Sec: <u>24</u> Twp: <u>6N</u> Rng: <u>81W</u> Sec: <u>24</u> Twp: <u>6N</u> Rng: <u>81W</u>							
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>820 ft</u>							
18. Distance to nearest property line: <u>672 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>5280 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						

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

21. Mineral Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian Lease #: 9000.6

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):  
T6n, R81W, Sec 24: NW, N2SW, 6th PM

25. Distance to Nearest Mineral Lease Line: 743 ft 26. Total Acres in Lease: 240

**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

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	12+1/4	9+5/8	36	0	700	190	700	0
1ST	8+3/4	7+0/0	23	0	6,174	120	6,174	5,000
1ST LINER	6+1/8	4+1/2	11.6	6174	8,501			

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

33. Comments 1st liner string as listed in casing type will have 9 Swellable packers and liner top packer hanging in 7" casing. Nearest railroad is more than 5280. Connects to the State 6-81-24-4 Tank Battery which shares pad with well. Surface Owner is State of Colorado and does not require a Surface Use Agreement, however, consultation has occurred and a \$5000 bond is being filed at the State Land Board concurrent with the filing of this application.

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: Fabrianna Venaducci

Title: Contract Landman Date: 4/25/2011 Email: fabrianna@jameskaro.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. Nesline Director of COGCC Date: 6/23/2011

Permit Number: \_\_\_\_\_ Expiration Date: 6/22/2013

**API NUMBER**

05 057 06510 00

**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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) NO PORTION OF ANY PIT THAT WILL BE USED TO HOLD LIQUIDS SHALL BE CONSTRUCTED ON FILL MATERIAL, UNLESS THE PIT AND FILL SLOPE ARE DESIGNED AND CERTIFIED BY A PROFESSIONAL ENGINEER, SUBJECT TO REVIEW AND APPROVAL BY THE DIRECTOR PRIOR TO CONSTRUCTION OF THE PIT. THE CONSTRUCTION AND LINING OF THE PIT SHALL BE SUPERVISED BY A PROFESSIONAL ENGINEER OR THEIR AGENT. THE ENTIRE BASE OF THE PIT MUST BE IN CUT.

(3) THE MOISTURE CONTENT OF ANY DRILL CUTTINGS IN A CUTTINGS PIT, TRENCH, OR PILE SHALL BE AS LOW AS PRACTICABLE TO PREVENT ACCUMULATION OF LIQUIDS GREATER THAN DE-MINIMIS AMOUNTS. AT THE TIME OF CLOSURE, THE DRILL CUTTINGS MUST ALSO MEET THE APPLICABLE STANDARDS OF TABLE 910-1.

(4) THE SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 620 FEET DEEP.

**Attachment Check List**

Att Doc Num	Name
400153983	FORM 2 SUBMITTED
400157169	PLAT
400157171	TOPO MAP
400157397	DEVIATED DRILLING PLAN
400157399	MINERAL LEASE MAP

Total Attach: 5 Files

**General Comments**

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Notified the State Land Board this application is ready and will be approved. plg.	6/22/2011 8:42:38 AM
Permit	ON HOLD: Dakota's bonds are in good order however there is a question about the surface location and our district manager, Lane Osborn, wishes for the surface access issue to be resolved. Should take about 2 months. Thanks, Tim.	5/24/2011 10:05:36 AM
Permit	Corrected Surface location from 627' FNL TO 672' FNL per well plat. plg.	5/3/2011 11:40:51 AM
Permit	Emailed Tim Kelly at SLB for verification of Surface Restoration Bond. plg.	5/3/2011 11:40:42 AM

Total: 4 comment(s)

**BMP**

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

Total: 0 comment(s)