

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#: 20100170

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):
 T9N-R59W: Section 7: E2, Section 8: NENE, N2NW, S2N2 & S2, Section 9: All, Section 10: NWNE, N2NW, S2N2 & S2, Section 17: W2.
 T10N-R59W: Section 31: Lot 1, Lot 2 & Lot 3

25. Distance to Nearest Mineral Lease Line: 648 ft 26. Total Acres in Lease: 2616

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: Landfarm/Evaporation

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	1,400	534	1,400	0
1ST	8+3/4	7	23	0	6,765	647	6,765	1,400
2ND	6+1/8	4+1/2	11.6	0	10,871	358	10,871	5,765

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

33. Comments No conductor casing will be set. All footages 5280' are 1 mile or greater.

34. Location ID: 423945

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: Terry L. Hoffman

Title: Permit Agent Date: 6/2/2011 Email: terry@rockymountainpermitting.

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. Noshin Director of COGCC Date: 6/29/2011

API NUMBER
05 123 33801 01

Permit Number: _____ Expiration Date: 6/28/2013

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 hour notice of MIRU to Colby Horton at 970-467-2517 or e-mail at colby.horton@state.co.us.
- 2) Provide cement coverage from base of intermediate casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

Att Doc Num	Name
400170097	FORM 2 SUBMITTED
400170208	PLAT
400170806	DRILLING PLAN

Total Attach: 3 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Engineer	Received emailed changes from Donette: Timbro Ranch 17-11-9-59 Change 1st Liner to 2nd String	6/13/2011 2:27:17 PM
Permit	This well is the horizontal portion of the pilot/lateral drilling plan. Well will be placed on hold until the 20 day comment period expires.	6/3/2011 2:25:07 PM
Permit	This section was previously spaced.	6/3/2011 2:24:18 PM

Total: 3 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Construction	Operator will ensure 110 percent secondary containment for any volume of fluids contained at the well site during drilling and completion. Operator will implement best management practices to contain any unintentional release of fluids. Operator has designed the well pad with insloping and a storm water control ditch to prevent storm water run-on/runoff and the release of fluids from the location. See attached Construction Layout Drawing. Fresh water for the Fresh Water Storage Pit comes from water provider; water sources permitted for consumable industrial use. Operator shall not allow any fluids to flow back to the Fresh Water Storage Pit. Fresh Water Storage Pit shall contain fresh water only and signage prohibiting the use of the pit for any fluid that does not come from municipal, irrigation or surface water source. The location will be fenced and the fenced area will include the Fresh Water Storage Pit. The COGCC to be notified 48 hours prior to construction of the Fresh Water Storage Pit.

Total: 1 comment(s)