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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> | DE                                   | ET | OE | ES |
| DE   | ET   | OE  | ES   |                                      |    |    |    |
| <b>APPLICATION FOR PERMIT TO:</b>  |  |   | Document Number:<br><br>400169447<br><br>Plugging Bond Surety<br><br>20030107  |                                      |    |    |    |
| 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>WILLIAMS PRODUCTION RMT COMPANY LLC</u> 4. COGCC Operator Number: <u>96850</u>   |  |   |  |                                      |    |    |    |
| 5. Address: <u>1001 17TH STREET - SUITE #1200</u><br>City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>  |  |   |  |                                      |    |    |    |
| 6. Contact Name: <u>Howard Harris</u> Phone: <u>(303)606-4086</u> Fax: <u>(303)629-8268</u><br>Email: <u>howard.harris@williams.com</u>  |  |   |  |                                      |    |    |    |
| 7. Well Name: <u>Diamond Elk, LLC</u> Well Number: <u>PA 344-2</u>   |  |   |  |                                      |    |    |    |
| 8. Unit Name (if appl): _____    Unit Number: _____  |  |   |  |                                      |    |    |    |
| 9. Proposed Total Measured Depth: <u>8329</u>  |  |   |  |                                      |    |    |    |
| <b>WELL LOCATION INFORMATION</b>   |  |   |  |                                      |    |    |    |
| 10. QtrQtr: <u>NWSW</u> Sec: <u>1</u> Twp: <u>7S</u> Rng: <u>95W</u> Meridian: <u>6</u><br>Latitude: <u>39.465919</u> Longitude: <u>-107.954069</u>  |  |   |  |                                      |    |    |    |
| Footage at Surface: <u>2266</u> feet    FNL/FSL <u>FSL</u> 654 feet    FEL/FWL <u>FWL</u>  |  |   |  |                                      |    |    |    |
| 11. Field Name: <u>Parachute</u> Field Number: <u>67350</u>  |  |   |  |                                      |    |    |    |
| 12. Ground Elevation: <u>6027</u> 13. County: <u>GARFIELD</u>  |  |   |  |                                      |    |    |    |
| 14. GPS Data:<br>Date of Measurement: <u>02/15/2011</u> PDOP Reading: <u>2.3</u> Instrument Operator's Name: <u>J. Kirkpatrick</u>   |  |   |  |                                      |    |    |    |
| 15. If well is <input checked="" type="checkbox"/> Directional <input type="checkbox"/> Horizontal (highly deviated) <b>submit deviated drilling plan.</b><br>Footage at Top of Prod Zone: FNL/FSL <u>653</u> FEL/FWL <u>FSL</u> 434    FEL <u>FEL</u> Bottom Hole: FNL/FSL <u>653</u> FEL/FWL <u>FSL</u> 434    FEL <u>FEL</u><br>Sec: <u>2</u> Twp: <u>7S</u> Rng: <u>95W</u> Sec: <u>2</u> Twp: <u>7S</u> Rng: <u>95W</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>1591 ft</u>  |  |   |  |                                      |    |    |    |
| 18. Distance to nearest property line: <u>266 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>386 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.) |    |    |    |
| Williams Fork  | WMFk   | 440-35  | 320  | E/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 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):  
See Attached

25. Distance to Nearest Mineral Lease Line: \_\_\_\_\_ 653 ft 26. Total Acres in Lease: \_\_\_\_\_ 528

**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: Re-Use, Evap & Backfill

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 |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| CONDUCTOR   | 24           | 18             | 48    | 0             | 45            | 50        | 45      | 0       |
| SURF        | 13+1/2       | 9+5/8          | 32.3  | 0             | 1,465         | 381       | 1,465   | 0       |
| 1ST         | 7+7/8        | 4+1/2          | 11.6  | 0             | 8,329         | 686       | 8,329   | 4,594   |

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

33. Comments Top of cement for production casing will be approx 300 feet above top of Mesaverde. Fee minerals and Fee Surface. Closed mud system. Surface Use Agreement attached to Form 2A. CA COC073097

34. Location ID: \_\_\_\_\_ 335008

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: Howard Harris

Title: Sr. Regulatory Specialist Date: 6/24/2011 Email: Howard.Harris@Williams.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: 7/19/2011

**API NUMBER**

05 045 20895 00

Permit Number: \_\_\_\_\_ Expiration Date: 7/18/2013

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

2) GARFIELD COUNTY RULISON FIELD NOTICE TO OPERATORS. NOTE: ALL NOTICES SHALL BE GIVEN VIA E-MAIL. SEE ATTACHED NOTICE

3) THE PROPOSED 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 390 FEET DEEP.

### **Attachment Check List**

| Att Doc Num | Name                    |
|-------------|-------------------------|
| 400169447   | FORM 2 SUBMITTED        |
| 400178674   | LEGAL/LEASE DESCRIPTION |
| 400178675   | WELL LOCATION PLAT      |
| 400178676   | DEVIATED DRILLING PLAN  |

Total Attach: 4 Files

### **General Comments**

| <b><u>User Group</u></b> | <b><u>Comment</u></b>                      | <b><u>Comment Date</u></b> |
|--------------------------|--|----------------------------|
| Permit                   | Added comma to well name per Howard Harris | 6/28/2011<br>10:54:57 AM   |
| Permit                   | Location Assessment not selected. SJF      | 6/27/2011<br>8:07:12 AM    |

Total: 2 comment(s)

### **BMP**

| <b><u>Type</u></b> | <b><u>Comment</u></b> |
|--------------------|-----------------------|
|                    |                       |

Total: 0 comment(s)