

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		DE ET OE ES	
APPLICATION FOR PERMIT TO:			Document Number: 400177095 Plugging Bond Surety 20100218	
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 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 type="checkbox"/>			Refiling <input type="checkbox"/> Sidetrack <input type="checkbox"/>	
3. Name of Operator: <u>ORR ENERGY LLC</u>		4. COGCC Operator Number: <u>10154</u>		
5. Address: <u>1813 61ST AVE STE 200</u> City: <u>GREELEY</u> State: <u>CO</u> Zip: <u>80634</u>				
6. Contact Name: <u>Kallasandra Moran</u> Phone: <u>(303)928-7128</u> Fax: <u>(303)962-6237</u> Email: <u>kmoran@petro-fs.com</u>				
7. Well Name: <u>Swift</u>		Well Number: <u>24-65</u>		
8. Unit Name (if appl): _____		Unit Number: _____		
9. Proposed Total Measured Depth: <u>7925</u>				
WELL LOCATION INFORMATION				
10. QtrQtr: <u>NWNE</u> Sec: <u>24</u> Twp: <u>6N</u> Rng: <u>66W</u> Meridian: <u>6</u> Latitude: <u>40.478549</u> Longitude: <u>-104.722049</u>				
Footage at Surface: <u>932</u> feet <u>FNL</u> <u>1715</u> feet <u>FEL</u> <small style="margin-left: 100px;">FNL/FSL</small> <small style="margin-left: 100px;">FEL/FWL</small>				
11. Field Name: <u>Wattenberg</u>		Field Number: <u>90750</u>		
12. Ground Elevation: <u>4748</u>		13. County: <u>WELD</u>		
14. GPS Data: Date of Measurement: <u>06/08/2011</u> PDOP Reading: <u>1.7</u> Instrument Operator's Name: <u>Owen McKee/ PFS</u>				
15. If well is <input 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 _____ Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____				
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>932 ft</u>				
18. Distance to nearest property line: <u>220 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>505 ft</u>				
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.)
Codell	CODL	407-87	80	N2NE
J-Sand	JSND			
Niobrara	NBRR	407-87	80	N2NE

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):
NWNE, Sec. 24, T6N-R66W
25. Distance to Nearest Mineral Lease Line: 932 ft 26. Total Acres in Lease: 160

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	12+1/4	8+5/8	24	0	600	550	7,925	0
1ST	7+7/8	4+1/2	11.6	0	7,925	650	7,925	0

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None
33. Comments No Conductor Casing will be used.

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: Kallasandra M. Moran
Title: Regulatory Analyst Date: 7/8/2011 Email: kmoran@petro-fs.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: 8/2/2011

API NUMBER
05 123 34088 00

Permit Number: _____ Expiration Date: 8/1/2013

CONDITIONS OF APPROVAL, IF ANY: _____

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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 Bo Brown at e-mail bo.brown@state.co.us.
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.

Attachment Check List

Att Doc Num	Name
400177095	FORM 2 SUBMITTED
400177137	WELL LOCATION PLAT
400177138	TOPO MAP

Total Attach: 3 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Added "zone type" as Multiple. Changed "distance to nearest building, public road, above ground utility or railroad from 1100' bldg to 932' public road. Added "No Conductor Casing will be used." to operator comments and remove the comments already there. Added Spacing order #: 407-87, Unit Acreage: 80, Unit configuration: N/2 per operator.	7/19/2011 9:32:40 AM
Permit	Requesting corrected spacing unit info.	7/18/2011 11:50:03 AM
Permit	Corrected distance to nearest building, public road, above ground utility or railroad from 1100' bldg to 932' public road. Added No Conductor Casing will be used.	7/18/2011 11:39:29 AM

Total: 3 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Site Specific	Fence the well site after drilling to restrict public and wildlife access. Keep well site location, the road, and the pipeline easement free of noxious weeds, litter and debris. Spray for noxious weeds, and implement dust control, as needed. Orr Energy LLC will not permit the release or discharge of any toxic or hazardous chemicals or wastes on Owner's Land. Construct and maintain gates where any roads used by Orr Energy LLC cross through fences on the leased premises.
Storm Water/Erosion Control	Use water bars, and other measures to prevent erosion and nonsource pollution. Implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).
Drilling/Completion Operations	Use a closed-loop drilling mud system to preclude the use of an earthen reserve pits when available.
Construction	Remove only the minimum amount of vegetation necessary for the construction of roads and facilities. Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation. No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.
Final Reclamation	All surface restoration shall be accomplished to the satisfaction of Owner. All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner. Final reclamation shall be completed to the reasonable satisfaction of the Owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards(BLM/COGCC).
Interim Reclamation	Utilize only such area around each producing well as is reasonably necessary. Restore the remainder of the well site location to its original condition within a reasonable time after the completion of operations. All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner.
Planning	When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.

Total: 7 comment(s)