

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



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| DE | ET | OE | ES |
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Document Number:

400185570

PluggingBond SuretyID

20050105

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☒ GAS ☐ COALBED ☐ OTHER _____
SINGLE ZONE ☐ MULTIPLE ☒ COMMINGLE ☒

Refiling ☐

Sidetrack ☐

3. Name of Operator: ST. JAMES ENERGY OPERATING INC

4. COGCC Operator Number: 10131

5. Address: 11177 EAGLE VIEW DR STE 1

City: SANDY State: UT Zip: 84092

6. Contact Name: Kent Moore Phone: (970)301-0291 Fax: (970)378-8623

Email: krmtaurus@msn.com

7. Well Name: Larson Farms Well Number: 6-24

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 7535

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 24 Twp: 6N Rng: 64W Meridian: 6

Latitude: 40.470760 Longitude: -104.499110

Footage at Surface: 2207 feet FSL 2417 feet FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4643 13. County: WELD

14. GPS Data:

Date of Measurement: 07/13/2011 PDOP Reading: 1.4 Instrument Operator's Name: Z. Waddle

15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL
650 FSL 661 FEL 650 FSL 661 FEL
Sec: 24 Twp: 6N Rng: 64W Sec: 24 Twp: 6N Rng: 64W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 2205 ft

18. Distance to nearest property line: 255 ft 19. Distance to nearest well permitted/completed in the same formation: 1930 ft

20. 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Niobrara-Codell | NB-CD | 407-87 | 80 | E/2SE4 |

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):

That portion of Section 24, Township 6 North, Range 64 West of the 6th PM, lying to the East of Crow Creek traversing the Section, comprising 335 acres more or less.

25. Distance to Nearest Mineral Lease Line: 650 ft

26. Total Acres in Lease: 335

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 | 750 | 300 | 750 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 7,535 | 753 | 7,535 | 0 |

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

33. Comments No conductor casing will be set. Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. St James requests an exception location to 318Aa, 318Ac: Exception request and Waiver attached.

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: Dan Hull

Title: Senior Project Manager Date: 8/3/2011 Email: dan.hull@LRA-inc.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: 8/16/2011

API NUMBER

05 123 34146 00

Permit Number: _____ Expiration Date: 8/15/2013

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)Note surface casing setting depth change from 500' to 750'. Increase cement coverage accordingly and cement to surface.
- 2)Provide 24 hour notice of MIRU to Bo Brown via e-mail at bo.brown@state.co.us.
- 3)Comply with Rule 317.i and provide cement coverage from the end of the production casing to a minimum of 200' above the Niobrara. Verify coverage with a cement bond log.
- 4)Comply with Rule 321. Run and submit Directional Survey from the end of production casing 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 |
|-------------|------------------------|
| 2530929 | VARIANCE REQUEST |
| 2530930 | WAIVERS |
| 400185570 | FORM 2 SUBMITTED |
| 400185575 | OIL & GAS LEASE |
| 400185576 | SURFACE AGRMT/SURETY |
| 400191535 | DEVIATED DRILLING PLAN |
| 400191550 | WELL LOCATION PLAT |
| 400192082 | EXCEPTION LOC REQUEST |

Total Attach: 8 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|-----------------------|----------------------------|
| | | |

Total: 0 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------------------|--|
| Drilling/Completion Operations | A closed loop system will be used for drilling fluids. |

Total: 1 comment(s)