

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 OIL AND GAS LEASE

25. Distance to Nearest Mineral Lease Line: 239 ft 26. Total Acres in Lease: 80

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	9+5/8	36	0	850	430	850	0
1ST	8+3/4	7+0/0	26	0	7,870	750	7,870	
1ST LINER	6+1/8	4+1/2	11.6	6794	12,022			

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

33. Comments No conductor casing will be used. OVER 8 COUNT, PENDING RULE CHANGE EFFECTIVE 09/30/11.

34. Location ID: 327230

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: REBECCA HEIM

Title: REGULATORY ANALYST II Date: 8/30/2011 Email: DJREGULATORY@

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: 10/5/2011

API NUMBER
05 123 34485 00

Permit Number: _____ Expiration Date: 10/4/2013

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) Provide 48 hour notice of MIRU to Jim Precup via e-mail at jim.precup@state.co.us.
 2) Comply with Rule 317.i and provide cement coverage from the end of the production casing to a minimum of 200' above the. Verify coverage with a cement bond log.
 3) 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.
- Operator must meet water well testing requirements per Rule 318A.

Attachment Check List

Att Doc Num	Name
2505881	DIRECTIONAL SURVEY
400196846	FORM 2 SUBMITTED
400196889	30 DAY NOTICE LETTER
400196890	DEVIATED DRILLING PLAN
400196891	PLAT
400196893	TOPO MAP
400196894	OIL & GAS LEASE
400196895	PROPOSED SPACING UNIT
400199175	VARIANCE REQUEST

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Operator requests approval of a Rule 318Am exception location: Wellhead is to be located less than 150' from an existing wellbore. Request and waivers attached.	10/4/2011 3:37:21 PM
Permit	ON HOLD: OVER 8 COUNT, PENDING RULE CHANGE EFFECTIVE 09/30/11.	9/13/2011 11:31:58 AM

Total: 2 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	1. At least seven (7) days prior to fracture stimulation, the operator is to notify all operators of non-operated wells within 300 feet of the wellbore to be fracture stimulated of the anticipated date stimulation date and the recommended best management practice to shut-in all wells within 300' of the stimulated wellbore completed in the same formation.
Drilling/Completion Operations	2. The operator will monitor the bradenhead pressure of all wells operated by the operator within 300 feet of the well to be fracture stimulated.
Drilling/Completion Operations	3. Bradenhead pressure gauges are to be installed 24 hours prior to stimulation. The gauges are to read at least once during every 24-hour period until 24-hours after stimulation is completed (post flowback). The gauges are to be of the type able to read current pressure and record the maximum encountered pressure in a 24-hour period. The gauge is to be reset between each 24-hour period. The pressures are to be recorded and saved. Alternate electronic measurement may be used to record the prescribed pressures. Data shall be keep for a period of one year.
Drilling/Completion Operations	4. If at any time during stimulation or the 24-hour post-stimulation period, the bradenhead annulus pressure of the treatment well or offset wells increases more than 200 psig, as per Rule 341, the operator of the well being stimulated shall verbally notify the Director as soon as practicable, but no later than twenty-four (24) hours following the incident. Within fifteen (15) days after the occurrence, the operator shall submit a Sundry Notice, Form 4, giving all details, including corrective actions taken.

Total: 4 comment(s)