

APPLICATION FOR PERMIT TO:

1. **Drill,** Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COALBED OTHER COMMERCIAL

SINGLE ZONE MULTIPLE COMMINGLE

Refiling
 Sidetrack

Document Number:
 400189145

PluggingBond SuretyID
 20110128

3. Name of Operator: HIGH SIERRA WATER SERVICES LLC 4. COGCC Operator Number: 10373

5. Address: 3773 CHERRY CREEK NORTH DR
 City: DENVER State: CO Zip: 80209

6. Contact Name: CLAYTON DOKE Phone: (970)669-7411 Fax: (970)669-4077
 Email: cdoke@petersonenergy.com

7. Well Name: SWD Well Number: C7B

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

9. Proposed Total Measured Depth: 10238

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 34 Twp: 7N Rng: 63W Meridian: 6
 Latitude: 40.524140 Longitude: -104.414560

Footage at Surface: 429 feet FSL 431 feet FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4715 13. County: WELD

14. GPS Data:
 Date of Measurement: 07/19/2011 PDOP Reading: 1.2 Instrument Operator's Name: RON EDWARDS

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

2331 FNL 123 FEL 2331 FNL 123 FEL

Sec: 34 Twp: 7N Rng: 63W Sec: 34 Twp: 7N Rng: 63W

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: 276 ft

18. Distance to nearest property line: 169 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2640 ft

LEASE, SPACING AND POOLING INFORMATION

20.

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Admire	ADMI			
Amazon	AMZN			
Council Grove	COUGR			
Fountain	FNTN			
Lower Satanka	LSTKA			
Lyons	LYNS			
Missouri	MSSR			
Virgil	VRGL			
Wolfcamp	WFCMP			

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):
 This is a commercial disposal well and ther minerals for these lands are not leased by High Sierra Water Services.

25. Distance to Nearest Mineral Lease Line: _____ 26. Total Acres in Lease: _____

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	540	300	540	0
1ST	8+3/4	7	23&26	0	8,953	1,250	8,953	0
1ST LINER	6+1/8	4+1/2	11.6	8800	10,238			

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

33. Comments No conductor casing will be run. There is no lease because there are no minerals that pertain to this well. There is no intent to complete the Lower Satanka (LSTKA), as may be seen by the attached proposed WBD, but it is being permitted on a risk mitigation basis as the result of the well completion style. Operator is the surface owner and requests a Rule 318A.c exception location. Waiver and request are attached. Form 33, injection well permit application, is 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: CLAYTON DOKE

Title: ENGINEER Date: 7/27/2011 Email: cdoke@petersonenergy.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. Nashin Director of COGCC Date: 10/6/2011

API NUMBER
05 123 34520 00

Permit Number: _____ Expiration Date: 10/5/2013

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 24 hr notice of spud to Jim Precup at 303-469-1902 or email at jim.precup@state.co.us.
- 2) Set surface casing, per Rule 317d, setting surface casing less than the approved depth is a permit violation unless prior written approval is obtained from the COGCC.
- 3) Verify all placed cement with cement bond log and cementing tickets.
- 4) Submit Forms 5 and 5A within 30 days of completing well.
- 5) Not approved for injection. Injection authorization upon approval of Form 33.

Attachment Check List

Att Doc Num	Name
400189145	FORM 2 SUBMITTED
400189363	DEVIATED DRILLING PLAN
400189426	WELLBORE DIAGRAM
400189515	WELL LOCATION PLAT
400189728	PLAT
400190064	EXCEPTION LOC WAIVERS
400190097	EXCEPTION LOC REQUEST
400190110	OTHER

Total Attach: 8 Files

General Comments

User Group	Comment	Comment Date
Permit	Form 33 attached to this APD.	7/28/2011 5:37:41 AM

Total: 1 comment(s)

BMP

Type	Comment

Total: 0 comment(s)