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Document Number:  
 400206188  
 PluggingBond SuretyID  
 20110161

**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: DJ PRODUCTION SERVICES INC 4. COGCC Operator Number: 22400  
 5. Address: 1273 FALCON COURT  
 City: WINDSOR State: CO Zip: 80550  
 6. Contact Name: Jeff Reale Phone: (303)947-1387 Fax: ()  
 Email: lam53@msn.com  
 7. Well Name: Nelson Well Number: 5-12  
 8. Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_  
 9. Proposed Total Measured Depth: 7750

**WELL LOCATION INFORMATION**

10. QtrQtr: NENW Sec: 5 Twp: 4n Rng: 67w Meridian: 6  
 Latitude: 40.345970 Longitude: -104.919260  
 Footage at Surface: \_\_\_\_\_ feet FNL/FSL \_\_\_\_\_ feet FEL/FWL \_\_\_\_\_ feet  
 11. Field Name: Johnstown Field Number: 42600  
 12. Ground Elevation: 4851 13. County: WELD

14. GPS Data:  
 Date of Measurement: 08/26/2011 PDOP Reading: 2.2 Instrument Operator's Name: C. VANMATRE

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 \_\_\_\_\_  
1957 FNL 561 FWL 1957 FNL 561 FWL  
 Sec: 5 Twp: 4n Rng: 67w Sec: 5 Twp: 4n Rng: 67w

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: 316 ft  
 18. Distance to nearest property line: 150 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 830 ft

**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	S/2 NW/4

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):

N/2 sec 5 4N 67W 320 acres

25. Distance to Nearest Mineral Lease Line: 561 ft 26. Total Acres in Lease: 320

### 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	500	360	500	0
1ST	7+7/8	4+1/2	11.6#	0	7,750	550	7,750	3,000

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

33. Comments No conductor casing will be set. SUA 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: Jeff Reale

Title: Agent Date: 9/23/2011 Email: lam53@msn.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. Nesline Director of COGCC Date: 10/20/2011

API NUMBER
05 123 34582 00

Permit Number: \_\_\_\_\_ Expiration Date: 10/19/2013

#### 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 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Shannon to 200' above Shannon. Verify coverage with cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from TD 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
400206188	FORM 2 SUBMITTED
400206203	WELL LOCATION PLAT
400206205	TOPO MAP
400206206	LOCATION DRAWING
400206281	SURFACE AGRMT/SURETY
400206635	LOCATION DRAWING
400206813	ACCESS ROAD MAP
400208148	DEVIATED DRILLING PLAN
400208149	DEVIATED DRILLING PLAN
400208453	HYDROLOGY MAP
400208510	LOCATION PHOTO
400208516	LOCATION PHOTO
400208518	LOCATION PHOTO
400208519	LOCATION PHOTO

Total Attach: 14 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Water sampling required. Opr notified. Final review complete.	10/18/2011 11:27:47 AM
Permit	Photos rec'd and uploaded. Ready to pass pening public comment. 10/17/11.	9/29/2011 3:22:32 PM
Permit	Need corrected photos for the Form 2A.	9/27/2011 2:01:54 PM

Total: 3 comment(s)

### BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)