

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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Document Number:

2588440

PluggingBond SuretyID

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: DEJOUR ENERGY (USA) CORPORATION 4. COGCC Operator Number: 10301

5. Address: 1401 17TH STREET #1000

City: DENVER State: CO Zip: 80202

6. Contact Name: GARY HAEFELE Phone: (303)296-3535 Fax: (303)296-3888

Email: GHAEFELE@DEJOUR.COM

7. Well Name: FEDERAL Well Number: 6/7-15-21

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

9. Proposed Total Measured Depth: 8325

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 21 Twp: 6S Rng: 91W Meridian: 6

Latitude: 39.508522 Longitude: -107.556049

Footage at Surface: 784 feet FNL/FSL 1778 feet FEL/FWL FEL

11. Field Name: KOKOPELLI Field Number: 47525

12. Ground Elevation: 7010 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 04/21/2010 PDOP Reading: 3.0 Instrument Operator's Name: KYLE TESKY

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

Footage at Top of Prod Zone: FNL/FSL 493 FSL 2000 FWL 493 FSL 2000 FWL
Sec: 21 Twp: 6S Rng: 91W Sec: 21 Twp: 6S Rng: 91W

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: 4800 ft

18. Distance to nearest property line: 443 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 329 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.)
ILES	ILES	191-70		
WILLIAMS FORK	WMFK	191-70		

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC66370

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):

SEC 21: E2NE, SESW, SWSE; SEC 22: SWNW, W2SW, SESW; SEC 25: SWSW; SEC 26 S2

25. Distance to Nearest Mineral Lease Line: 493 ft 26. Total Acres in Lease: 680

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
CONDUCTOR	20	16		0	70	100	70	0
SURF	12+1/4	8+5/8	24	0	1,500	800	1,500	0
1ST	7+7/8	4+1/2	11.6	0	8,300	620	8,300	1,300

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

33. Comments AIR DRILLING MAY BE REQUIRED FOR SURFACE CASING.

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: R.W. RICHARDSON

Title: LAND MANAGER Date: 9/1/2011 Email: RRICHARDSON@DEJOUR.

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: 11/17/2011

API NUMBER

05 045 21181 00

Permit Number: _____ Expiration Date: 11/16/2013

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) GARFIELD COUNTY RULISON-FIELD NOTICE TO OPERATORS. NOTE: ALL NOTICES SHALL BE GIVEN VIA E-MAIL. SEE ATTACHED NOTICE

(3) NEW MAMM CREEK FIELD NOTICE TO OPERATORS APPLIES TO THIS WELL. NOTE: ALL NOTICES SHALL BE GIVEN VIA E-MAIL. SEE ATTACHED NOTICE.

(4) COMPLIANCE WITH THE NOTICE TO OPERATORS DRILLING WELLS IN THE BUZZARD, MAMM CREEK, AND RULISON FIELDS, GARFIELD COUNTY AND MESA COUNTY – PROCEDURES AND SUBMITTAL REQUIREMENTS FOR COMPLIANCE WITH COGCC ORDER NOS. 1-107, 139-56, 191-22, AND 369-2 (JULY 8, 2010) -- IS REQUIRED. SEE ATTACHED NOTICE.

(5) THE MOISTURE CONTENT OF ANY DRILL CUTTINGS IN A CUTTINGS PIT, TRENCH, OR PILE SHALL BE AS LOW AS PRACTICABLE TO PREVENT ACCUMULATION OF LIQUIDS GREATER THAN DE-MINIMIS AMOUNTS. AT THE TIME OF CLOSURE, THE DRILL CUTTINGS MUST ALSO MEET THE APPLICABLE STANDARDS OF TABLE 910-1.

(6) NO PORTION OF ANY PIT THAT WILL BE USED TO HOLD LIQUIDS SHALL BE CONSTRUCTED ON FILL MATERIAL, UNLESS THE PIT AND FILL SLOPE ARE DESIGNED AND CERTIFIED BY A PROFESSIONAL ENGINEER, SUBJECT TO REVIEW AND APPROVAL BY THE DIRECTOR PRIOR TO CONSTRUCTION OF THE PIT. THE CONSTRUCTION AND LINING OF THE PIT SHALL BE SUPERVISED BY A PROFESSIONAL ENGINEER OR THEIR AGENT. THE ENTIRE BASE OF THE PIT MUST BE IN CUT.

(7) THE SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1 -MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 160 FEET DEEP.

Attachment Check List

Att Doc Num	Name
2588440	FORM 2 SUBMITTED
2588441	WELL LOCATION PLAT
2588442	DEVIATED DRILLING PLAN
2588443	FED. DRILLING PERMIT
2588444	SURFACE PLAN
2588445	DRILLING PLAN

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	LGD/pub. comments waived. Final Comprehensive Review Status--passed.	11/17/2011 7:36:33 AM
Permit	per Rick Obernolte, Access Environmental, Dejour's contractor, made following changes to form: dist. to nearest min. lease now 493', field name Kokopelli, changed spacing orders to 191-70 for ILES & WMFK, multiple zone and commingled. ready to approve in permitting when 2A DOW comm. exp. 10/31	10/20/2011 4:22:53 PM
Permit	oper. emailed that he has been out of town and unable to respond to requests for info--will submit revisions next week. advised that 14-day clock begins today or APD's will be withdrawn.	10/20/2011 7:33:44 AM
Permit	emailed oper. re dist. to nearest min. lease (493'on fed. permit), changed dist. to nearest rd. to 4800' to agree w/ 2A, obj. fms. should be WMFK & ILES per spacing order 191-70, multiple zone completion & commingled. Field Name designation (not a WC).	10/6/2011 1:36:17 PM
Permit	Added conductor casing information per verbal statement with operator.	9/21/2011 8:40:31 AM
Permit	No agent for Dejour. Spoke with operator regarding designation of agent 9/9/11 & 9/14/11	9/9/2011 6:45:58 AM

Total: 6 comment(s)

BMP

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

Total: 0 comment(s)