

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



DE	ET	OE	ES
Document Number: 400252080			
PluggingBond SuretyID 20110094			

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: NATURAL RESOURCE GROUP INC 4. COGCC Operator Number: 10369  
5. Address: 1789 W LITTLETON BLVD  
City: LITTLETON State: CO Zip: 80126  
6. Contact Name: Brian Hedberg Phone: (303)797-5417 Fax: (303)797-5418  
Email: bhedberg@nrgcolo.com  
7. Well Name: Largo Well Number: 1  
8. Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_  
9. Proposed Total Measured Depth: 1800

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 9 Twp: 34S Rng: 62W Meridian: 6  
Latitude: 37.102948 Longitude: -104.351279  
Footage at Surface: 173 feet FNL/FSL 2207 feet FEL/FWL  
11. Field Name: Garcia Field Number: 27950  
12. Ground Elevation: 6312 13. County: LAS ANIMAS

14. GPS Data:

Date of Measurement: 01/19/2012 PDOP Reading: 6.0 Instrument Operator's Name: Gary L. Terry

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 \_\_\_\_\_  
Sec: \_\_\_\_\_ Twp: \_\_\_\_\_ Rng: \_\_\_\_\_ Sec: \_\_\_\_\_ Twp: \_\_\_\_\_ Rng: \_\_\_\_\_

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: 1050 ft  
18. Distance to nearest property line: 660 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2687 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.)
Greenhorn	GRNHN			
Niobrara	NBRR			
Pierre	PRRE			
Timpas	TMPS			

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):  
Please see attached lease description.

25. Distance to Nearest Mineral Lease Line: 1872 ft 26. Total Acres in Lease: 3215

### 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: Air drilling - No mud

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	12+1/2	10	26	0	20	50	20	0
SURF	8+7/8	7	17	0	400	150	430	0

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

33. Comments This well was previously permitted by Energy Oil and Gas and that permit expired. The old API number for Largo 1 was 05-071-09652.

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: Brian Hedberg

Title: General Counsel Date: 2/22/2012 Email: bhedberg@nrgcolo.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: \_\_\_\_\_ Director of COGCC Date: \_\_\_\_\_

<b>API NUMBER</b>
05

Permit Number: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

**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.

### Attachment Check List

Att Doc Num	Name
400252080	FORM 2 SUBMITTED
400252978	WELL LOCATION PLAT
400253167	MINERAL LEASE MAP
400253169	30 DAY NOTICE LETTER
400254122	TOPO MAP
400257072	SURFACE AGRMT/SURETY

Total Attach: 6 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>

Total: 0 comment(s)