

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



Document Number:

400233233

Date Received:

12/27/2011

PluggingBond SuretyID

20090025

## 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: AUGUSTUS ENERGY PARTNERS LLC4. COGCC Operator Number: 102755. Address: 2016 GRAND AVE STE ACity: BILLINGS State: MT Zip: 591026. Contact Name: Loni Davis Phone: (970)332-3585 Fax: (970)332-3587Email: ldavis@augustusenergy.com7. Well Name: Wise Well Number: DB-18 5N46W

8. Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

9. Proposed Total Measured Depth: 2950

## WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 18 Twp: 5N Rng: 46W Meridian: 6Latitude: 40.406180 Longitude: -102.536270

Footage at Surface: 1255 feet FNL/FSL 1498 feet FEL/FWL FEL

11. Field Name: Rock Creek Field Number: 7400612. Ground Elevation: 3916 13. County: YUMA

## 14. GPS Data:

Date of Measurement: 12/10/2011 PDOP Reading: 2.1 Instrument Operator's Name: Neal McCormick15. 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 ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 1498 ft18. Distance to nearest property line: 1183 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 788 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Niobrara               | NBRR           | 351-4                   | 160                           | NE/4                                 |

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: \_\_\_\_\_22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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 ☒ No23b. 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):

5N46W, Sec 18: NE/4

25. Distance to Nearest Mineral Lease Line: 1183 ft

26. Total Acres in Lease: 160

### 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: Evaporation and Burial

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        | 9+7/8        | 7              | 17    | 0             | 450           | 200       | 450     | 0       |
| 1ST         | 6+1/4        | 4+1/2          | 10.5  | 1             | 2,950         | 75        | 2,950   | 2,150   |

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

33. Comments No Conductor Casing will be used. The mineral and leasehold interests are uniform throughout the northwest quarter, therefore, no offsetting mineral or leasehold interests exist. Please see attachments regarding communications between AEP and COGCC regarding Pilot Program.

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: Loni J. Davis

Title: Oper Acctg & Reg Spec Date: 12/27/2011 Email: ldavis@augustusenergy.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: \_\_\_\_\_

API NUMBER

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                  |
|-------------|-----------------------|
| 400233233   | FORM 2 SUBMITTED      |
| 400233522   | PLAT                  |
| 400233523   | TOPO MAP              |
| 400235496   | EXCEPTION LOC REQUEST |
| 400235499   | PROPOSED BMPs         |
| 400264600   | SURFACE AGRMT/SURETY  |
| 400264602   | EXCEPTION LOC WAIVERS |
| 400264603   | 30 DAY NOTICE LETTER  |
| 400264607   | CORRESPONDENCE        |

Total Attach: 9 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>   |
|--------------------------------|--|
| Drilling/Completion Operations | <p>To address construction during drilling and all other operations associated with Oil and Gas development throughout Northern Yuma County, Colorado area StormWater Management Plans(SWMP) are in place and in compliance with the Colorado Department of Health and Environment (CDPHE) under Permit # COR-039921.</p> <p>Best Management Practices (BMP's) will be reviewed and maintained prior to, during and after construction of drilling site, laying of flowlines, installation of surface equipment and reclamation of site. Each location's BMP's will vary according to terrain and phase of construction and will be implemented in accordance to SWMP.</p> <p>Regular location inspections will be performed and any BMP's not effectively working will be documented and resolved in a timely manner.</p> <p>Spill Prevention, Control and Countermeasures will be implemented. Should any spills occur they will be cleaned up immediately and effectively to minimize any integration with storm water runoff. General good housekeeping practices will be performed to keep spills at a minimum.</p> |

Total: 1 comment(s)