

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:

400263158

Date Received:

04/05/2012

PluggingBond SuretyID

20050122

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☒ GAS ☐ COALBED ☐ OTHER ☐ Pilot  
SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐

Refiling ☐

Sidetrack ☐

3. Name of Operator: HILCORP ENERGY COMPANY

4. COGCC Operator Number: 10133

5. Address: P O BOX 61229

City: HOUSTON State: TX Zip: 77208

6. Contact Name: John McKnight Phone: (713)289-2755 Fax: (713)209-2478

Email: chris@banko1.com

7. Well Name: State Well Number: 14-9BH

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

9. Proposed Total Measured Depth: 6575

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 9 Twp: 3N Rng: 62W Meridian: 6

Latitude: 40.233350 Longitude: -104.335770

Footage at Surface: 150 feet FNL/FSL FSL 690 feet FEL/FWL FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 4631 13. County: WELD

14. GPS Data:

Date of Measurement: 11/30/2011 PDOP Reading: 1.2 Instrument Operator's Name: R. Daley

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: 915 ft

18. Distance to nearest property line: 150 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 4575 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           |                         |                               |                                      |

21. Mineral Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian Lease #: ST-7873.3

22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian

23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#: 20110175

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):

T3N R62W Sec. 9: ALL

25. Distance to Nearest Mineral Lease Line: 150 ft

26. Total Acres in Lease: 640

### 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: Closed Loop Drilling

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   | 24           | 20             |       | 0             | 40            | 0         | 0       | 0       |
| SURF        | 17+1/2       | 13+3/8         | 54.5  | 0             | 2,000         | 1,280     | 2,000   | 0       |
| 1ST         | 12+1/4       | 9+5/8          | 36    | 0             | 5,500         | 860       | 5,500   | 0       |
| 2ND         | 8+1/2        | 5+1/2          | 20    | 0             | 10,631        | 1,035     | 10,631  | 0       |

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

33. Comments 1) A Closed Loop drilling system will be utilized.2) Hilcorp will utilize a cuttings pit for down hole debris. Before cuttings are buried onsite in cuttings pit, Hilcorp will have cuttings tested. 3) This Form 2 is for the pilot hole. A separate Form 2 will be identified in the "Related Forms" tab and will represent the horizontal leg.4) Closet mineral lease measured from proposed BHL.

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: Chris F. McRickard

Title: Permit Agent Date: 4/5/2012 Email: chris@banko1.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               |
|-------------|--------------------|
| 400264628   | WELL LOCATION PLAT |
| 400264629   | TOPO MAP           |
| 400268651   | DRILLING PLAN      |

Total Attach: 3 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>   |
|-----------------------------|--|
| Storm Water/Erosion Control | BMP will be in place at well pad site to prevent storm water & sediment erosion. |

Total: 1 comment(s)