

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

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Date Received:

03/13/2012

PluggingBond SuretyID

20090080

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: GREAT WESTERN OIL & GAS COMPANY LLC

4. COGCC Operator Number: 10110

5. Address: 700 AUTOMATION DR - UNIT A

City: WINDSOR State: CO Zip: 80550-3119

6. Contact Name: Janni Keidel Phone: (303)398-0388 Fax: (866)742-1784

Email: jkeidel@gwogco.com

7. Well Name: H-Y Well Number: 29-21-4

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

9. Proposed Total Measured Depth: 7424

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 29 Twp: 6N Rng: 67W Meridian: 6

Latitude: 40.463011 Longitude: -104.919558

Footage at Surface: 770 feet FNL 1921 feet FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4783 13. County: WELD

14. GPS Data:

Date of Measurement: 02/07/2012 PDOP Reading: 2.2 Instrument Operator's Name: Robert Kay

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
25 FNL 1307 FWL 25 FNL 1307 FWL
Sec: 29 Twp: 6N Rng: 67W Sec: 29 Twp: 6N 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: 475 ft

18. Distance to nearest property line: 554 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 939 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-Codell	NB-CD		160	GWA

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 Map. Lease includes 120.16 acres shown on map plus 12.4 additional acres to include all of NE/NW of section 29.

25. Distance to Nearest Mineral Lease Line: 50 ft

26. Total Acres in Lease: 131

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	854	708	854	0
1ST	7+7/8	4+1/2	11.6	0	7,424	268	7,424	6,625

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

33. Comments Conductor casing will not be set. Production Casing cement will be minimum 200' above the Niobrara. 30 Day Notice for Rule 305/306 waived in SUA. Proposed Spacing Unit N/2NW/4 Sec 29 & S/2SW/4 Sec 20.

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: Janni Keidel

Title: Permit & Reg Analyst Date: 3/13/2012 Email: jkeidel@gwogco.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: 4/20/2012

API NUMBER

05 123 35431 00

Permit Number: _____ Expiration Date: 4/19/2014

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) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. 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.

Operator must meet water well testing requirements per Rule 318A.

Attachment Check List

Att Doc Num	Name
1694897	PROPOSED SPACING UNIT
1694898	PROPOSED SPACING UNIT
1771639	SURFACE CASING CHECK
400255178	FORM 2 SUBMITTED
400257588	LEASE MAP
400257591	WELL LOCATION PLAT
400257592	TOPO MAP
400257837	SURFACE AGRMT/SURETY
400260631	DEVIATED DRILLING PLAN
400260632	DIRECTIONAL DATA

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	4/18/2012 11:19:06 AM
Permit	corrected "distance to nearest property line" from 220' to 554' per operator. Corrections noted under Construction layout drawing labeled "Other" on the 2A. Added "Please see attached Lease Map. Lease includes 120.16 acres shown on map plus 12.4 additional acres to include all of NE/NW of section 29." Changed "Distance to nearest well" to 939' per operator. Proposed Spacing Unit N/2NW/4 Sec 29 & S/2SW/4 Sec 20. Ok to pass.	4/10/2012 10:37:12 AM
Permit	Received and attached Proposed Spacing Unit & 30 Day Cert letter. ok to pass 4/18/12.	4/2/2012 1:48:26 PM
Permit	ON HOLD: requesting Proposed Spacing Unit & 30 Day Certification Letter.	3/16/2012 2:37:17 PM
Permit	Operator input #15 and #19. This form has passed completeness.	3/14/2012 8:36:59 AM
Permit	Returned to draft. Missing #15 and #19.	3/13/2012 11:02:09 AM

Total: 6 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	<p>Great Western Oil & Gas Company, LLC - Best Management Practices - Summary Storm water management Plans (SWMP) will be in place to address construction, drilling and operations associated with Oil and Gas development throughout the state of Colorado in accordance with Colorado Department of Public Health (CDPHE). BMP's will be constructed around the perimeter of the site prior to or at the beginning of construction; BMP's used will vary according to the location, and will remain in place until the pad reaches final reclamation.</p> <p>Spill Prevention Control and Counter Measures (SPCC) plans will be in place to address any possible spills associated with Oil and Gas operations throughout the state of Colorado in accordance with CFR 112. In accordance with COGCC Rule 1002.f.(2) A. & B., shall provide a designated storage area for dry bulk chemicals and miscellaneous fluids. The storage area shall be covered to prevent contact of precipitation with chemicals, shall be elevated above storm- or standing water, and shall provide sufficient containment to prevent release of spilled fluids or chemicals from impacting soil, surface water or groundwater and will prevent the co-mingling of spilled fluids or chemicals with other E & P Waste.</p> <p>Housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup is required to minimize any commingling of waste materials with storm water runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling, There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup will consist of patrolling the roadways, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly and promptly.</p>

Total: 1 comment(s)