

State of Colorado
Oil and Gas Conservation Commission

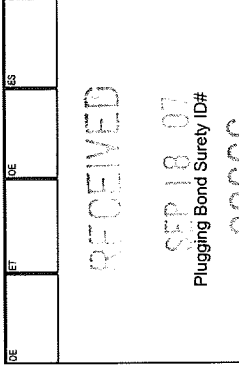
1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303)894-2100 Fax: (303)894-2109

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL
OIL ☐ GAS ☒ COALBED ☐ OTHER: ☐
SINGLE ZONE ☐ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Refilling
Sidetrack ☒



3. Name of Operator: Berry Petroleum Company 4. COGCC Operator Number: 10091
5. Address: 950 17th Street Suite 2400
City: Denver State: CO Zip: 80202
6. Contact Name: Stacey Saltzman Phone: (303) 633-1858 Fax: (303) 825-3350
7. Well Name: Granlee OM Well Number: 17D O03 696
8. Unit Name (if appl): Unit Number:
9. Proposed Total Measured Depth: 10,766'
10. QtrQtr: SWSE Sec: 3 Twp: 6S Rng: 96W Meridian: 6th P.M.
Latitude: 39.546254 Longitude: 108.091397
Footage At Surface: 567' S 1511' E
11. Field Name: Parachute Field Number: 67350
12. Ground Elevation: 8150' 13. County: Garfield

14. GPS Data:
Date of Measurement: 8/31/2006 PDOP Reading: 3.1 Instrument Operator's Name: Robert Kay

15. If well is: ☒ Directional ☐ Horizontal (highly deviated), submit deviated drilling plan. Bottomhole Sec Twp Rng: Sec 3 T6S R96W
Footage At Top of Prod Zone: 350' S 350' E At Bottom Hole: 350' S 350' E

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: 1.3 miles
18. Distance to Nearest Property Line: 1614' 19. Distance to nearest well permitted/completed in the same formation: 750'

20. LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number (s)	Unit Acreage Assigned to Well	Unit Configuration (N2, SE1/4, etc.)
Williams Fork	WMFK	510-13		

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 well/site is located (attach separate sheet/map if you prefer):
Please see previously submitted lease map.

25. Distance to Nearest Mineral Lease Line: 495' 26. Total Acres in Lease: 25.000

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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? ☐ Yes ☒ No If 28, 29 or 30 are "Yes" a pit permit may be required.

31. Mud disposal: ☐ Offsite ☒ Onsite
Method: ☐ Land Farming ☒ Land Spreading ☐ Disposal Facility ☐ Other:

NOTE: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 903b.) If air/gas drilling, notify local fire officials.

String	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
Conductor	24"	20"	55 #	90'	100 sks	90'	0'
Surface	16"	9.625"	36 #	2750'	1500 sks	2750'	0'
Production	8.75x 7.875"	4.5"	11.6 #	10,766'	1200 sks	10,766'	7500'

32. BOP Equipment Type: ☒ Annular Preventor ☒ Double Ram ☒ Rotating Head ☐ None
33. Comments I self certify that there have been no changes (except for the conductor hole size, surface casing setting depth, and surface casing cement bottom) since the last permit was issued. *Pack not built.*
34. Initial Rule 306 Consultation took place on (date) 10/10/2006, was waived, or is not required. Provide supporting documentation if consultation has been waived or if good faith effort did not result in consultation.

PERMIT SUBMITTED TO COGCC PRIOR TO COMPLIANCE WITH RULE 306 CONSULTATION SHALL BE RETURNED UNAPPROVED.

I hereby certify that a complete permit package has been sent to the applicable Local Government Designee(s), and all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: *Stacey A. Saltzman* Print Name: Stacey A. Saltzman

Title: Operations Assistant Date: 9/10/2007 Email: sas@bry.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: *Stacey A. Saltzman* Director of COGCC Date: 11-7-07

Permit Number: 200603010

Expiration Date: 11-6-08

API NUMBER
05-045-13265-00

CONDITIONS OF APPROVAL, IF ANY:

SEE ATTACHED PAGES:
CONDITIONS OF APPROVAL AND
NOTICE TO OPERATORS

NOV 09 2007

GRANLEE OM 17D 03 696

CONDITIONS OF APPROVAL

24 HOUR SPUD NOTICE REQUIRED. SEE NOTICE: NEW GARFIELD COUNTY RULISON FIELD NOTICE TO OPERATORS APPLIES TO THIS WELL. ALL NOTIFICATION VIA E-MAIL: JAIME.ADKINS@STATE.CO.US

CEMENT TOP VERIFICATION BY CBL REQUIRED.

PRODUCTION CASING TOP OF CEMENT MUST BE 500' ABOVE THE TOP OF GAS AND COMPLY WITH RULE 317.I.

THE PROPOSED 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 000 FEET DEEP.

THE OPERATOR SHALL COMPLY WITH RULE 321., AND IT SHALL BE THE OPERATOR'S RESPONSIBILITY TO ENSURE THAT THE WELLBORE COMPLIES WITH SETBACK REQUIREMENTS IN COMMISSION ORDERS OR RULES PRIOR TO PRODUCING THE WELL.

NOTICE TO ALL OPERATORS
DRILLING WILLIAMS FORK FORMATION WELLS IN GARFIELD COUNTY
SURFACE CASING DEPTH AND MODIFICATION OF LEAKOFF TEST REQUIREMENTS
JUNE 23, 2006 (Amends May 3, 2001 Notice)

Based on the evaluation of the leakoff test data, drilling histories and reservoir parameters for Williams Fork Formation wells in Garfield County, the surface casing setting depth requirements specified in the September 22, 1998 policy statement amended May 3, 2001 will remain in effect. Surface casing leakoff tests will be performed at the discretion of the operator with the exception of additional leakoff test requirements that may apply in the Grand Valley Field as required by an earlier notice. The following conditions are to be attached to all Permits-to-Drill for Williams Fork Formation or deeper gas wells in Garfield County:

The following shall be required in the Rulison Field Overpressured Area:

1. The Rulison Field Overpressured Area is defined as (see attached map):
Township 6 South, Range 94 West, Sections 9, 15-23, 26-35
Township 7 South, Range 94 West, Sections 2-6, 8-10, 11, 13, 16
2. Surface casing must be set at a minimum depth of 1100 feet.

The following shall be required in all fields in Garfield County:

1. Notify the COGCC Northwest Area Engineer 24 hours prior to commencing wellsite construction, setting of conductor pipe, well spudding, running all casing and any cementing operations so that COGCC staff may have the opportunity to witness. All notification shall be given via e-mail whenever possible.
2. Surface casing shall be set at a minimum depth of ten percent (10%) of the total depth of the well.
3. All lost circulation zones, gas kicks and water flows shall be reported to the COGCC Northwest Colorado Area Engineer as soon as feasible within twenty-four (24) hours of occurrence.
4. Significant lost circulation shall be defined as a mud loss in excess of 100 barrels and which requires shut down of operations for an hour or longer to pump lost circulation material and rebuild pit volume. The following data is required: depth, mud volume lost, whether or not a kick ensued, mud weights before and after lost circulation, and procedures used to regain circulation.
5. A significant kick shall be defined as one that is managed by shutting in the well to circulate out the kick or that is managed by going on choke and requiring an increase in mud weight exceeding 3/10ths of one pound per gallon to control. The following data is required: date and time of the kick, total depth of the well at the time of the kick, surface casing depth, size and cementing data, initial and final mud weights, shut in drill pipe pressure, shut in casing pressure, or any other pressure measurement or information used to determine the mud weight necessary to control the kick.
6. The depth, rate and mud weight on all water flows must be reported.
7. Upon completion of the primary cementing operation, the annular fluid level around the production casing shall be monitored for a minimum of 4 hours after cementing. Operators shall maintain the ability to monitor the annular fluid level and keep the hole full. The amount of mud that is used to keep the hole full shall be recorded. If mud volumes in excess of twenty (20) barrels are necessary to keep the hole full, the loss of fluid shall be reported to the COGCC immediately.

For all notifications contact COGCC Northwest Area Colorado Area Engineer Jaime Adkins via e-mail at: jaime.adkins@state.co.us or in urgent cases at 970-285-9000(O), 970-250-2440(C).
Thank you for cooperating with these requirements.
Brian Macke, Director