

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

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



Document Number:

400269257

Date Received:

04/16/2012

PluggingBond SuretyID

20090069

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: DELTA PETROLEUM CORPORATION

4. COGCC Operator Number: 16800

5. Address: 370 17TH ST STE 4300

City: DENVER State: CO Zip: 80202

6. Contact Name: Julie Webb Phone: (616)813-5063 Fax: (303)298-8251

Email: jwebb@progressivepcs.net

7. Well Name: BCU Well Number: 16-434

8. Unit Name (if appl): Buzzard Creek Unit Number: COC
047597X

9. Proposed Total Measured Depth: 7968

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 16 Twp: 9S Rng: 93W Meridian: 6

Latitude: 39.272600 Longitude: -107.766500

Footage at Surface: 1092 feet FNL/FSL FSL 383 feet FEL/FWL FEL

11. Field Name: Buzzard Creek Field Number: 9500

12. Ground Elevation: 7337 13. County: MESA

14. GPS Data:

Date of Measurement: 04/28/2008 PDOP Reading: 0.0 Instrument Operator's Name: Ted T. Taggart

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
1270 FSL 330 FEL 1270 FSL 330 FEL
Sec: 16 Twp: 9S Rng: 93W Sec: 16 Twp: 9S Rng: 93W

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: 540 ft

18. Distance to nearest property line: 388 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 587 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.)
Iles	ILES	369-5		
Williams	WMFK	369-5		

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):

T9S R93W: Sec. 21: E/2NW; Sec. 22: W/2NW; Sec. 9: SESW & SWSE; Sec. 16: N/2, SE, SESW; Sec. 15: W/2SW; Sec. 17: SENE

25. Distance to Nearest Mineral Lease Line: 1594 ft 26. Total Acres in Lease: 880

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

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	16	55	0	60	200	60	0
SURF	12+1/4	8+5/8	24,32	0	2,200	740	2,200	0
1ST	7+7/8	4+1/2	11.6	0	7,968	477	7,968	5,158

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

33. Comments I certify that all conditions in the original permit are the same. There have been no changes to land use, well construction or the lease. This pad is built. No expansion or additional disturbance will occur. Closed loop system will be used. DELTA PETROLEUM IS THE SURFACE OWNER An existing 2A, doc # 400045578, has an expiration date of 4/27/2013.

34. Location ID: 334461

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: Julie Webb

Title: Regulatory Analyst Date: 4/16/2012 Email: jwebb@progressivepcs.net

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: 5/16/2012

API NUMBER

05 077 09865 00

Permit Number: _____ Expiration Date: 5/15/2014

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) COMPLIANCE WITH THE NOTICE TO OPERATORS DRILLING WELLS IN THE BUZZARD, MAMM CREEK, AND RULISON FIELDS, GARFIELD COUNTY AND MESA COUNTY IS REQUIRED. (PROCEDURES AND SUBMITTAL REQUIREMENTS FOR COMPLIANCE WITH COGCC ORDERS NOS. 1-107, 139-56, 191-22, AND 369-2 (JULY 8, 2010)). SEE ATTACHED NOTICE.

(3) OPERATOR MUST ENSURE 110 PERCENT SECONDARY CONTAINMENT FOR ANY VOLUME OF FLUIDS CONTAINED AT WELL-SITE DURING DRILLING AND COMPLETION OPERATIONS. IF FLUIDS ARE CONVEYED VIA PIPELINE, OPERATOR MUST IMPLEMENT BEST-MANAGEMENT-PRACTICES TO CONTAIN ANY UNINTENTIONAL RELEASE OF FLUIDS.

(4) NO PORTION OF ANY PIT THAT WILL BE USED TO HOLD LIQUIDS SHALL BE CONSTRUCTED ON FILL MATERIAL, UNLESS THE PIT AND FILL SLOPE ARE DESIGNED AND CERTIFIED BY A PROFESSIONAL ENGINEER, SUBJECT TO REVIEW AND APPROVAL BY THE DIRECTOR PRIOR TO CONSTRUCTION OF THE PIT. THE CONSTRUCTION AND LINING OF THE PIT SHALL BE SUPERVISED BY A PROFESSIONAL ENGINEER OR THEIR AGENT. THE ENTIRE BASE OF THE PIT MUST BE IN CUT.

(5) 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 160 FEET DEEP.

Attachment Check List

Att Doc Num	Name
400269257	FORM 2 SUBMITTED

Total Attach: 1 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	LGD/pub. comments waived. Location in Buzzard Crk. Unit; spacing order specifies 100' setbacks from unit boundary. Final Review--passed.	5/14/2012 10:02:48 AM
Permit	Changed dist. to prop. line to 388' and dist. to nearest road to 540' to agree w/ 2A per oper.'s instructions.Added related 2A. Corrected spacing order fms.	5/11/2012 3:24:42 PM
Permit	Existing BCU Pad/16P (Location ID 334461) will be expanded as described in approved Form 2A. If wells are not spud by Form 2A expiration (4/27/13), operator must refile Form 2A for approval prior to pad expansion.	5/10/2012 7:46:09 AM
Permit	Operator corrected #23 and #36. JW is now an agent. This form has passed completeness.	4/23/2012 12:37:30 PM
Permit	Returned to draft. Julie Webb is not a designated agent, missing #23, and #36.	4/17/2012 1:03:38 PM

Total: 5 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)