

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:

400258939

Date Received:

03/09/2012

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: jmcknight@hilcorp.com

7. Well Name: State of Colorado Well Number: 24-33BH

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

9. Proposed Total Measured Depth: 5940

WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 33 Twp: 14S Rng: 63W Meridian: 6

Latitude: 38.782460 Longitude: -104.453100

Footage at Surface: 625 feet FSL 2065 feet FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 5918 13. County: EL PASO

14. GPS Data:

Date of Measurement: 03/03/2012 PDOP Reading: 1.2 Instrument Operator's Name: K. 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: 620 ft

18. Distance to nearest property line: 564 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 716 ft

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 C Bench	NBRR			

21. Mineral Ownership: Fee State Federal Indian Lease #: ST-9176.7

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):
 T14S R63W Sec. 33: NW, S2

25. Distance to Nearest Mineral Lease Line: 625 ft 26. Total Acres in Lease: 480

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	17+1/2	16		0	40	0	40	0
SURF	13+1/2	10+3/4	40.50	0	1,600	550	1,600	0

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

33. Comments This application is for the Vertical portion of the well. The Horizontal APD, Doc. No. 400258387, was submitted.

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: 3/9/2012 Email: chris@banko1.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: 5/17/2012

API NUMBER
 05 041 06073 00 Permit Number: _____ Expiration Date: 5/16/2014

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) Provide 48 hour notice prior to spud via Form 42.
- 2) Plug back pilot hole: Set 40 sx cement 50' above Niobrara.

Attachment Check List

Att Doc Num	Name
1698860	DRILLING PLAN
2331963	SURFACE CASING CHECK
400258939	FORM 2 SUBMITTED
400260151	DRILLING PLAN
400260153	PLAT
400260154	TOPO MAP

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review passed 5/15/2012 NKP	5/15/2012 2:38:57 PM
Permit	Per opr: drilling program submitted 4/20/2012 is accurate, please correct distance to nearest permitted/completed well to 716 feet (distance to the productive interval of the lateral), and distance to nearest cultural feature to 620.	5/15/2012 1:40:53 PM
Permit	We are good with Hilcorp location and bond per State Land Board 4/19/2012	4/19/2012 4:53:55 PM
Permit	Per opr, casing program to be changed at suggestion of COGCC engineering. On hold awaiting information. 4/12/2012	4/19/2012 2:15:24 PM
Permit	Per opr - distance to nearest mineral lease line is 625 feet. Rule 318.a requires that productive intervals be at least 600 feet from lease line.	4/12/2012 7:49:42 AM
Permit	Email to opr to verify distance to nearest mineral lease line. Email to State Land Board to verify lease. 4/11/2012 NKP	4/11/2012 3:10:09 PM
LGD	No comment per DKM.	3/29/2012 2:56:24 PM

Total: 7 comment(s)

BMP

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

Total: 0 comment(s)