

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:

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 FSL 690 feet 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

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 #: 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

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

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: 6/5/2012

Permit Number: _____ Expiration Date: 6/4/2014

API NUMBER
05 123 35718 00

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 electronic Form 42.
- 2) Plug back pilot hole: Set 40 sx cement 50' above Niobrara top.

Operator must meet water well sampling requirements as per Rule 318A.

Attachment Check List

Att Doc Num	Name
2332474	SURFACE CASING CHECK
2532227	WELL LOCATION PLAT
2532331	EXCEPTION LOC WAIVERS
400263158	FORM 2 SUBMITTED
400264629	TOPO MAP
400268651	DRILLING PLAN

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Updated permit with exception loc request and waiver for 318Aa. Operator requests approval of Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window. Waiver and exception request attached.	5/9/2012 11:53:53 AM
Permit	Operator has provided the revised casing info. Engineering review of the offset wells in process.	5/7/2012 12:16:25 PM
Permit	Operator is working on new casing plans; will submit later.	4/13/2012 11:44:59 AM
Engineer	deleted first/second string with operator (pilot hole)	4/11/2012 1:11:39 PM
Permit	Lateral permit is not complete.	4/9/2012 6:14:38 AM
Permit	This is the pilot hole permit for a pilot/lateral drilling plan.	4/9/2012 5:47:28 AM
Permit	Operator deleted deviated drilling plan. This form has passed completeness.	4/6/2012 10:01:14 AM
Permit	Returned to draft. Invalid directional information.	4/6/2012 7:45:24 AM

Total: 8 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)