

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:

400242366

Date Received:

02/07/2012

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL GAS COALBED OTHER INJECTION
SINGLE ZONE MULTIPLE COMMINGLE

Refiling
Sidetrack

PluggingBond SuretyID

20110128

3. Name of Operator: HIGH SIERRA WATER SERVICES LLC 4. COGCC Operator Number: 10373

5. Address: 3773 CHERRY CREEK NORTH DR
City: DENVER State: CO Zip: 80209

6. Contact Name: CLAYTON DOKE Phone: (970)669-7411 Fax: (970)669-4077
Email: cdoke@petersonenergy.com

7. Well Name: SWD Well Number: C4B

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

9. Proposed Total Measured Depth: 10429

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 26 Twp: 6N Rng: 65W Meridian: 6
Latitude: 40.452530 Longitude: -104.627660

Footage at Surface: 1040 feet FSL 1924 feet FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4682 13. County: WELD

14. GPS Data:

Date of Measurement: 12/15/2011 PDOP Reading: 2.1 Instrument Operator's Name: RON EDWARDS

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 _____
2190 FNL 2327 FWL 1250 FNL 1405 FEL
Sec: 26 Twp: 6N Rng: 65W Sec: 35 Twp: 6N Rng: 65W

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: 260 ft

18. Distance to nearest property line: 422 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1991 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.)
ADMIRE	ADMI			
AMAZON	AMZN			
COUNCIL GROVE	COUGR			
FOUNTAIN	FNTN			
LOWER SATANKA	LSTKA			
LYONS	LYNS			
MISSOURI	MSSR			
VIRGIL	VRGL			
WOLFCAMP	WFCMP			

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):

This is a commercial disposal well, the minerals for these lands are not leased by High Sierra Water Services, LLC, There is no lease description because there are no minerals that pertain to this well.

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

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	9+5/8	36	0	480	225	480	0
1ST	8+3/4	7	23 & 26	0	9,054	285	9,034	7,210
1ST LINER	6+1/8	4+1/2	11.6	9004	10,450			
			Stage Tool		7,240	1,130	7,240	0

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

33. Comments No conductor casing will be run. This is a commercial disposal well; there is no lease because there are no minerals. This well is an addition to High Sierra's existing commercial disposal site, thus a Form 33 and a revised Form 31 will be submitted to Denise Onyskiw as soon as possible. A proposed wellbore diagram is attached. Operator requests a rule 318A(I).a and & 318A(I).c exception location; well is outside of the GWA windows and greater than 50' from an existing well. Request and waivers are attached. The Lower Satanka (LSTKA) is being permitted on a risk-mitigation basis, there are no plans to complete this formation.

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: CLAYTON DOKE

Title: PETROLEUM ENGINEER

Date: 2/7/2012

Email: cdoke@petersonenergy.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: 7/13/2012

API NUMBER

05 123 35841 00

Permit Number: _____

Expiration Date: 7/12/2014

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.

Operator must meet Water Well Testing requirements as per amended Rule 318A.

- 1)Note surface casing setting depth change from 425' to 480'. Increase cement coverage accordingly and cement to surface.
- 2)Provide 48 hour notice of MIRU to Jim Precup via e-mail at james.precup@state.co.us.
- 3)Comply with Rule 317.i and provide cement coverage from the end of the production casing to a minimum of 200' above the Niobrara and from 200' below Parkman to 200' above Parkman. Verify coverage with a cement bond log.
- 4)Zonal isolation via external casing packers (or an approved equivalent) is required between each of the zones exposed below the bottom of the production casing. Reference the submitted Wellbore Diagram (document# 400249450) for additional details.
- 5)Comply with Rule 321. Run and submit Directional Survey from the TD to surface. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.
- 6)Injection not allowed without approved Forms 31 and 33.
- 7)Prior approval of Form 4 is required for step rate and injectivity tests.
- 8)Retrieve water samples before stimulating formations.

Attachment Check List

Att Doc Num	Name
2113773	SURFACE AGRMT/SURETY
2113775	OTHER
2113776	WELL LOCATION PLAT
2113777	DEVIATED DRILLING PLAN
2113779	WELLBORE DIAGRAM
2481434	SURFACE CASING CHECK
400242366	FORM 2 SUBMITTED
400248995	SURFACE AGRMT/SURETY
400249303	EXCEPTION LOC WAIVERS
400249379	EXCEPTION LOC REQUEST
400300553	DIRECTIONAL DATA

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Attached and/or replaced the following: SUA; FAA approval; New directional (changed BHL), Plat, & Wellbore Diagram. Some of the new attachments have a different well name which will be corrected with a Sundry. All changes does as per opr. Corrected Casing information as per opr. Final Review Completed. No LGD or public comment received.	6/28/2012 8:56:28 AM
Permit	Opr reports that their lawyers are in the process of getting an updated SUA with a new BHL. New plats and DS are on the way. The site was submitted to FAA's OEAAA on 3/27 (they have 45 days to evlauate).	4/16/2012 11:46:56 AM
Permit	Talked with Clay Doke and will continue on hold for FAA letter, and possible BHL move, and SUAs.	3/26/2012 1:40:30 PM
Permit	Form on hold. SUA doesn't extend to this location, there is no SUA for BHL rights, no mention of airport 411' west.	3/1/2012 8:10:11 AM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)