

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:

400255383

Date Received:

06/21/2012

PluggingBond SuretyID

20100027

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: ESENJAY OPERATING INC4. COGCC Operator Number: 103265. Address: 500 N. WATER STREET - STE 1100SCity: CORPUS CHRISTI State: TX Zip: 784716. Contact Name: Fabrianna Venaducci Phone: (303)2790789 Fax: (303)2791124Email: fabrianna@jameskaro.com7. Well Name: Jones Well Number: 2-12-4-60

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

9. Proposed Total Measured Depth: 6335

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 2 Twp: 4N Rng: 60W Meridian: 6Latitude: 40.348740 Longitude: -104.064990Footage at Surface: 342 feet FNL 2529 feet FWL11. Field Name: Wildcat Field Number: 9999912. Ground Elevation: 4381 13. County: MORGAN

14. GPS Data:

Date of Measurement: 01/19/2012 PDOP Reading: 1.2 Instrument Operator's Name: Brian T. Brinkman15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**Footage at Top of Prod Zone: 2304 FSL 1963 FWL Bottom Hole: 2304 FSL 1963 FWL
Sec: 2 Twp: 4N Rng: 60W Sec: 2 Twp: 4N Rng: 60W16. Is location in a high density area? (Rule 603b)? Yes No17. Distance to the nearest building, public road, above ground utility or railroad: 295 ft18. Distance to nearest property line: 150 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5280 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.)
D SAND	DSND	542-1	80	NESW, NWSE

21. Mineral Ownership: Fee State Federal Indian Lease #: _____22. Surface Ownership: Fee State Federal Indian23. 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 No23b. 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):

NESW, NWSE, Sec. 2 T4N R60W, 6th P.M. Multiple leases are being pooled to create a single 80 acre drilling and spacing unit. Operator has filed a hearing application regarding the same.

25. Distance to Nearest Mineral Lease Line: 282 ft 26. Total Acres in Lease: 80

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+1/2	8+5/8	24	0	500	350	500	0
1ST	7+7/8	4+1/2	11.6	0	6,335	830	6,335	4,900

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

33. Comments Location is an exception location. Waivers and letter to director are attached. Operator has submitted a hearing application for spacing unit and pooling of open interests. No conductor casing will be used.

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: Fabrianna Venaducci

Title: Contract Landman Date: 6/21/2012 Email: fabrianna@jameskaro.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: Matthew Lee Director of COGCC Date: 10/10/2012

API NUMBER

05 087 08167 00

Permit Number: _____ Expiration Date: 10/9/2014

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 electronic Form 42.
- 2) Provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

Att Doc Num	Name
2170279	SURFACE CASING CHECK
2532611	EXCEPTION LOC WAIVERS
400255383	FORM 2 SUBMITTED
400297203	PLAT
400297207	TOPO MAP
400297211	EXCEPTION LOC REQUEST
400297212	EXCEPTION LOC WAIVERS
400297214	SURFACE AGRMT/SURETY
400298240	DEVIATED DRILLING PLAN
400298606	DIRECTIONAL DATA

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Off Hold. Spacing order approved in October hearing. Final Review Completed. No LGD or public comment received.	10/9/2012 9:36:53 AM
Permit	On Hold. Spacing and pooling request continued to Oct hearing.	8/30/2012 1:18:57 PM
Permit	ON HOLD: docket # 1208-UP-211 for August. Spacing and pooling requested.	7/23/2012 1:10:28 PM
Permit	On hold - Essenjay is filling spacing APP? They say they are pooling leases but no pooling agreement is attached. May force pool along with spacing the unit.	6/26/2012 6:01:21 AM
Permit	Operator made corrections.	6/22/2012 9:21:50 AM
Permit	Returned to draft. Application needs the directional data and the directional template.	6/22/2012 7:48:54 AM

Total: 6 comment(s)

BMP

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

Total: 0 comment(s)