

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:

400326433

Date Received:

09/30/2012

PluggingBond SuretyID

20090080

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: GREAT WESTERN OIL & GAS COMPANY LLC

4. COGCC Operator Number: 10110

5. Address: 700 AUTOMATION DR - UNIT A

City: WINDSOR State: CO Zip: 80550-3119

6. Contact Name: Janni Keidel Phone: (303)398-0388 Fax: (866)742-1784

Email: jkeidel@gwogco.com

7. Well Name: Postle IC Well Number: 11-23D

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

9. Proposed Total Measured Depth: 8107

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 11 Twp: 3N Rng: 68W Meridian: 6

Latitude: 40.241383 Longitude: -104.962022

Footage at Surface: 2422 feet FNL 330 feet FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4950 13. County: WELD

14. GPS Data:

Date of Measurement: 08/24/2012 PDOP Reading: 1.1 Instrument Operator's Name: Robert Kay

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
678 FSL 1980 FEL 678 FSL 1980 FEL
Sec: 11 Twp: 3N Rng: 68W Sec: 11 Twp: 3N Rng: 68W

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: 1267 ft

18. Distance to nearest property line: 280 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 931 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.)
Niobrara-Codell	NB-CD	407-87	80	W/2SE/4

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):

Please see attached lease map.

25. Distance to Nearest Mineral Lease Line: 678 ft

26. Total Acres in Lease: 370

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	8+5/8	24	0	830	277	830	0
1ST	7+7/8	4+1/2	11.6	0	8,107	803	8,107	3,813

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

33. Comments No conductor casing will be set. Production casing cement will be set at a minimum of 200' above the Niobrara. This is one of 13 wells to be drilled from this location, but only 7 will be permitted at this time. 30 day 305/306 notification letter attached. Surface owner is also the mineral owner of this location. Location exception waiver attached with request for approval.

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: Janni Keidel

Title: Permit & Reg Analyst Date: 9/30/2012 Email: jkeidel@gwogco.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: 10/26/2012

API NUMBER

05 123 36209 00

Permit Number: _____ Expiration Date: 10/25/2014

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) Note surface casing setting depth change from 600' to 830'. Increase cement coverage accordingly and cement to surface.
- 2) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 3) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with cement bond log.
- 4) Comply with Rule 321. 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.

Operator must meet water well testing requirements per Rule 318A.

Attachment Check List

Att Doc Num	Name
1695241	EXCEPTION LOC REQUEST
400326433	FORM 2 SUBMITTED
400326453	WELL LOCATION PLAT
400326457	TOPO MAP
400329491	DEVIATED DRILLING PLAN
400329492	DIRECTIONAL DATA
400329493	SURFACE AGRMT/SURETY
400329494	MINERAL LEASE MAP
400332260	EXCEPTION LOC WAIVERS
400332463	30 DAY NOTICE LETTER

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	10/25/2012 3:02:57 PM
Permit	Received and attached Exception Location Request, changed distance to nearest well from 2204' to 931' per operator. ok to pass.	10/10/2012 8:40:57 AM
Permit	ON HOLD: requesting Exception location letter and correction to line 19: distance to nearest well.	10/9/2012 3:24:16 PM
Permit	Operator requests approval of a Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window. Request and Waiver attached.	10/9/2012 3:24:16 PM
Permit	Operator amended Question No. 19 to 2204 feet and attached corrected 30 day notice letter for this well. This form passed completeness.	10/2/2012 4:49:22 PM
Permit	Return to draft: 1. Question No. 19 provides the value 2204, but drop down indicates N/A, please clarify. 2. 30 day notice letter attached (Tailholt Resources LLC) does not match submitted information (well name, well location, surface/mineral owner, etc.).	10/1/2012 12:26:08 PM

Total: 6 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	<p>The Anti-Collision BMP is for wellbores within 150'. -</p> <p>Prior to drilling operations, Great Western Oil & Gas Company will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Great Western Oil & Gas Company may have gyro surveys conducted to verify bottomhole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to COGCC with the Form 5.</p>
Drilling/Completion Operations	<p>Great Western Oil & Gas Company, LLC - Best Management Practices - Summary</p> <p>Storm water management Plans (SWMP) will be in place to address construction, drilling and operations associated with Oil and Gas development throughout the state of Colorado in accordance with Colorado Department of Public Health (CDPHE). BMP's will be constructed around the perimeter of the site prior to or at the beginning of construction; BMP's used will vary according to the location, and will remain in place until the pad reaches final reclamation.</p> <p>Spill Prevention Control and Counter Measures (SPCC) plans will be in place to address any possible spills associated with Oil and Gas operations throughout the state of Colorado in accordance with CFR 112. In accordance with COGCC Rule 1002.f.(2) A. & B., shall provide a designated storage area for dry bulk chemicals and miscellaneous fluids. The storage area shall be covered to prevent contact of precipitation with chemicals, shall be elevated above storm- or standing water, and shall provide sufficient containment to prevent release of spilled fluids or chemicals from impacting soil, surface water or groundwater and will prevent the co-mingling of spilled fluids or chemicals with other E & P Waste.</p> <p>Housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup is required to minimize any commingling of waste materials with storm water runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling, There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup will consist of patrolling the roadways, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly and promptly.</p>

Total: 2 comment(s)