

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:

400318037

Date Received:

08/22/2012

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

PluggingBond SuretyID

20120026

3. Name of Operator: PEAKVIEW OPERATING COMPANY, LLC

4. COGCC Operator Number: 10409

5. Address: 216 16TH STREET, SUITE 1450

City: DENVER State: CO Zip: 80202

6. Contact Name: Kimberly Rodell Phone: (303)820-4480 Fax: (303)820-4124

Email: kim@banko1.com

7. Well Name: Ence Well Number: 1H

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

9. Proposed Total Measured Depth: 10906

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 3 Twp: 6N Rng: 90W Meridian: 6

Latitude: 40.500343 Longitude: -107.482955

Footage at Surface: 434 feet FSL 933 feet FWL

11. Field Name: Buck Peak Field Number: 7675

12. Ground Elevation: 6206 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 07/23/2012 PDOP Reading: 1.8 Instrument Operator's Name: G.R. Dowling

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 _____
667 FSL 688 FWL 673 FSL 1996 FEL
Sec: 3 Twp: 6N Rng: 90W Sec: 4 Twp: 6N Rng: 90W

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: 241 ft

18. Distance to nearest property line: 434 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5585 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	NBRR			

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):

Horizontal wellbore will cross one lease: T6N R90W Sec. 3: W2SW; Sec. 4: SE; Sec. 9: W2NE, SENW, E2SW

25. Distance to Nearest Mineral Lease Line: 655 ft 26. Total Acres in Lease: 440

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
CONDUCTOR	20	16	84	0	120		120	0
SURF	14+3/4	9+5/8	36	0	2,350	1,435	2,350	0
1ST	8+3/4	7	23	2200	8,782	655	8,782	2,200
1ST LINER	6+1/8	4	11.6	7840	10,906	0		

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

33. Comments The Application for Permit to Drill (APD) is for the horizontal portion of the wellbore. A non-productive pilot hole will be drilled along with the horizontal portion. The Kick-Off-Point (KOP) is estimated to be at ±7,882' MD. A non-productive test will be run in the pilot-hole from 7,840' – 8,757' TVD. After the pilot hole is tested two cement plugs will be set from 7,650' – 8,757'. The horizontal portion of the well will kick off at ±7,882' MD, will be drilled, and a liner will run the distance of the horizontal leg. The un-cemented liner will be completed with a Packers Plus completion. The nearest well distance was taken from the proposed bottom hole location of the proposed horizontal well to the existing Kowach 1-9, API No. 05-081-06185.

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: Kimberly J. Rodell

Title: Permit Agent Date: 8/22/2012 Email: kim@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: Matthew Lee Director of COGCC Date: 10/26/2012

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

API NUMBER
05 081 07756 01

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.
- (2) PROVIDE CEMENT COVERAGE FROM THE INTERMEDIATE CASING SHOE TO A MINIMUM OF 200' ABOVE TOP OF GAS (OR OTHER SHALLOWEST-KNOWN PRODUCING HORIZON). VERIFY CEMENT WITH A CBL.
- (3) THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 200 FEET DEEP.

Attachment Check List

Att Doc Num	Name
400318037	FORM 2 SUBMITTED
400318203	WELL LOCATION PLAT
400318214	TOPO MAP
400319238	DEVIATED DRILLING PLAN
400319241	DRILLING PLAN
400320216	DIRECTIONAL DATA
400320223	DIRECTIONAL DATA

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	This is a horizontal wellbore crossing one mineral lease. Minimum distance to lease line is 655'. No LGD or public comments. Final Review--passed.	10/24/2012 7:31:08 AM
Permit	Removed surface bond; checked "YES" for #22a.	9/25/2012 10:04:53 AM
Permit	Directional data sent in correct format and uploaded.	8/24/2012 8:49:04 AM
Permit	Return to Draft: Directional drilling data attachment will not import, please resend in correct format	8/23/2012 2:22:42 PM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)