

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:

2237715

Date Received:

10/15/2012

PluggingBond SuretyID

20090091

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: BAYHORSE PETROLEUM LLC

4. COGCC Operator Number: 10234

5. Address: 2558 E PORTSMOUTH AVE

City: SALT LAKE CITY State: UT Zip: 84121

6. Contact Name: ROD VAUGHN Phone: (435)752-2021 Fax: (435)752-2021

Email: RLVAUGHN47@Q.COM

7. Well Name: SENTINEL Well Number: 1

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

9. Proposed Total Measured Depth: 5100

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 31 Twp: 20S Rng: 45W Meridian: 6

Latitude: 38.277320 Longitude: -102.501430

Footage at Surface: 1750 feet FNL/FSL 2140 feet FEL/FWL
FNL FWL

11. Field Name: SENTINEL Field Number: 76910

12. Ground Elevation: 3729 13. County: KIOWA

14. GPS Data:

Date of Measurement: 09/27/2012 PDOP Reading: 3.3 Instrument Operator's Name: KEITH WESTFALL

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: 4332 ft

18. Distance to nearest property line: 820 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1547 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.)
LANSING-KANSAS CITY	LGKC			
MARMATON	MRTN			
MISSISSIPPIAN	MSSP			

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 ☐ 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):

NW4 SECTION 31-20S-45W 6TH PM

25. Distance to Nearest Mineral Lease Line: 820 ft

26. Total Acres in Lease: 160

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: DRY & BACKFILL

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	350	100	350	0
1ST	7+7/8	4+1/2	10.5	0	5,100	230	5,100	3,600
S.C. 1.1							1,100	500

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

33. Comments NO CONDUCTOR PIPE 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: RODNEY L. VAUGHN

Title: PRESIDENT

Date: 10/11/2012

Email: RLVAUGHN47@Q.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: 11/19/2012

API NUMBER

05 061 06880 00

Permit Number: _____ Expiration Date: 11/18/2014

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) If production casing is set provide cement coverage to at least 200' above the shallowest completed interval or Topeka, whichever is shallower. Stage cement Cheyenne/Dakota interval (1100'-500' minimum) or set 1100' of surface casing. Run and submit CBL to verify cemented intervals.
- 3) If well is a dry hole set plugs at the following depths: 40 sks cement +/- 50' above the Morrow, 40 sks cement +/- 50' above the Marmaton, 40 sks cement +/- 50' above the Topeka, 40 sks cement +/- 50' above any DST w/ show, 40 sks cement at 1100' up, 40 sks cement at 500' up, 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface casing, cut 4 ft below GL, weld on plate, 5 sks cement each in rat hole and mouse hole.

Applicable Policies and Notices to Operators

Policy
Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
2237715	FORM 2 SUBMITTED
2237716	WELL LOCATION PLAT
2237717	TOPO MAP
2237718	WAIVERS

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Final Review	Changed to Not High Density per related Form 2A.	11/19/2012 11:05:42 AM
Engineer	Recieved H2S contingency plan 11/13/12 #1897766.	11/15/2012 10:08:22 AM
Permit	Final review completed; no LGD or public comment received.	11/13/2012 6:02:17 AM
Engineer	Operator responded that the east offset well in section 31 didn't report any H2S issues but to err on the side of caution, operator will send H2S conintgency plans in the mail to arrive early next week. Due to rig scheduling, operator may need to spud this well around the 15-17th of November.	11/9/2012 9:25:37 AM
Engineer	Contacted operator regarding requirement for hydrogen sulfide drilling operations plan in accordance w/ Rule 607 if hydrogen sulfide gas in excess of one hundred (100) ppm can reasonably be expected to be encountered. Sent them copy of Policy - Reporting Hydrogen Sulfide (H2S) COGCC Rule 607 (04/13/2012)	11/8/2012 2:25:16 PM
Permit	The well location falls within an area that potentially may have higher than average levels of H2S gas.	11/1/2012 6:34:47 AM

Total: 6 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	H2S contingency plan in place

Total: 1 comment(s)