

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:

2172646

Date Received:

10/18/2012

PluggingBond SuretyID

20120073

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: CHAMA OIL & MINERALS LLC

4. COGCC Operator Number: 10431

5. Address: PO BOX 50203

City: MIDLAND State: TX Zip: 79710

6. Contact Name: DAVE MINYARD Phone: (303)542-1853 Fax: ()

Email: DMINYARD@EXSOC.COM

7. Well Name: SORS Well Number: 1P

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

9. Proposed Total Measured Depth: 8217

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 26 Twp: 4N Rng: 54W Meridian: 6

Latitude: 40.279391 Longitude: -103.394496

Footage at Surface: 650 feet FNL/FSL 650 feet FEL/FWL
FSL FWL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 4412.5 13. County: WASHINGTON

14. GPS Data:

Date of Measurement: 10/03/2012 PDOP Reading: 3.1 Instrument Operator's Name: R. GABRIEL

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: 650 ft

18. Distance to nearest property line: 650 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5281 ft

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.)
PRECAMBRIAN	PCMB			

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):

ALL OF SECTION 26, T4N-R54W, WASHINGTON CO., COLORADO

25. Distance to Nearest Mineral Lease Line: 650 ft 26. Total Acres in Lease: 640

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: EVAPORATION AND

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	27+1/2	20	94	0	40	750	40	0
SURF	17+1/2	13+3/8	61	0	500	500	500	0
1ST	12+1/4	9+5/8	40	0	6,000	750	6,000	3,500
2ND	8+3/4	7	29	0	8,217	4,001	8,217	5,500

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

33. Comments _____

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: DAVIE MINYARD

Title: OPERATIONS MGR Date: 10/16/2012 Email: DMINYARD@EXSOC.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: 11/28/2012

API NUMBER Permit Number: _____ Expiration Date: 11/27/2014

05 121 11018 00

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 hr notice prior to spud via electronic Form 42.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
1792528	SURFACE AGRMT/SURETY
2172646	FORM 2 SUBMITTED
400338078	30 DAY NOTICE LETTER
400338079	WELL LOCATION PLAT

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Final Review	Per operator changed well type from "vertical strat test" to oil well.	11/28/2012 3:46:23 PM
Permit	Final review completed.	11/20/2012 10:50:02 AM
Permit	Received SUA, no request to change well status to anything other than "strat well".	10/25/2012 8:57:03 AM
Permit	A strat test well permit does not require a mineral lease and nor a setback from the boundary of a mineral estate (lease or unit). That information must be submitted and approved in order to reclassify the well as an oil or gas well. A mineral lease has been obtain according to the information submitted. Requested operator review the State's definition of Stratigraphic Well and also furnish the SUA that is said to be attached but isn't.	10/25/2012 6:59:28 AM
Permit	Operator submitted corrections via email and authorized N. Reckles to amend eform document with the following: amended plugging bond surety id; completed question nos. 11, 17, 19, 23a., and 36; conductor casing updated; casing information updated; SHL latitude matches plat; email contact updated on page 1. This form passed completeness.	10/24/2012 4:15:52 PM
Permit	Return to draft: 1. plugging bond surety ID incomplete, 2. question no. 11 (field number) incomplete, 3. question no. 17 incomplete, 4. question no. 19 incomplete, 5. question no. 23a. incomplete, 6. question no. 36 incomplete, 7. conductor casing information incomplete; if no conductor piping is used then this must be noted in operator comments section, 8. casing information is incomplete (2nd string incomplete, csg top/btm for other types), 9. latitude submitted (40.279039) does not match plat (40.279391), 10. email contact information is missing from page 1, Contact Info section.	10/22/2012 3:41:33 PM

Total: 6 comment(s)

BMP

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

Total: 0 comment(s)