

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

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Date Received:

10/04/2012

PluggingBond SuretyID

20120033

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: ENDEAVOUR OPERATING CORPORATION4. COGCC Operator Number: 104115. Address: 1125 17TH STREET #1525City: DENVER State: CO Zip: 802026. Contact Name: Terry Hoffman Phone: (720)542-8287 Fax: ()Email: terry@rockymountainpermitting.com7. Well Name: Wiley Well Number: 22-3-97-28. Unit Name (if appl): Wiley Unit Unit Number: COC75390X9. Proposed Total Measured Depth: 10920

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 22 Twp: 3N Rng: 97W Meridian: 6Latitude: 40.212075 Longitude: -108.259826

Footage at Surface: 1778 feet FNL/FSL 1352 feet FEL/FWL FEL

11. Field Name: Wildcat Field Number: 9999912. Ground Elevation: 5889 13. County: RIO BLANCO

14. GPS Data:

Date of Measurement: 08/27/2012 PDOP Reading: 1.2 Instrument Operator's Name: K. Stewart15. 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 ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 4625 ft18. Distance to nearest property line: 862 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 4624 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.)
Frontier	FRTR			
Niobrara	NBRR			

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#: 2012003423a. 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):

See attached "Lease Description"

25. Distance to Nearest Mineral Lease Line: 862 ft

26. Total Acres in Lease: 3757

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	75	0	80	75	80	0
SURF	14+3/4	9+5/8	36	0	3,000	894	3,000	0
OPEN HOLE	8+3/4			3000	10,920			

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

33. Comments Footages listed as 5280' are greater than one (1) mile. Set conductor @ 80', 9-5/8" csg @ 3000'. Drill a 8-3/4 to 10920', log well and plug back. Parasite string to be run with 9-5/8 to control "loss circulation." Distance from unit boundary is greater than 600'. This well is being drilled primarily as a "Pilot Hole" (with potential to be produced). Possible lateral to be permitted in the future.

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: Terry L. Hoffman

Title: Permit Agent Date: 10/4/2012 Email: terry@rockymountainpermitting

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: 11/29/2012

API NUMBER

05 103 11953 00

Permit Number: _____ Expiration Date: 11/28/2014

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

2) PLUG BACK SHALL INCLUDE A MINIMUM OF A 100' CEMENT PLUG ACROSS THE NIOBRARA TOP AND 100' CEMENT PLUG ACROSS THE MESA VERDE TOP.

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400332333	FORM 2 SUBMITTED
400332995	30 DAY NOTICE LETTER
400333005	LEGAL/LEASE DESCRIPTION
400333245	WELL LOCATION PLAT

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Operator working on SUA; will submit when signed. Confirmed Wiley Unit approved 9/19/2012. Distance to unit boundary 3915'. No LGD or public comments. Final Review--passed.	11/21/2012 1:47:53 PM
Engineer	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 000 FEET DEEP.	10/29/2012 4:06:57 PM
Permit	Changed zone to "Multiple" and checked commingled.	10/18/2012 9:55:42 AM
Permit	This form passed completeness.	10/6/2012 4:05:02 PM

Total: 4 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Storm Water/Erosion Control	<p>Endeavour Operating Corporation Wiley #22-3-97-2 NWSE Section 22-T3N-R97W Rio Blanco Co., Colorado</p> <p>Best Management Practices Summary</p> <p>Stormwater Management Plans (SWMP) will be in place to address construction, drilling and operations associated with Oil & Gas development throughout the state of Colorado in accordance with Colorado Department of Public Health and Environment (CDPHE). BMP's will be constructed around the perimeter of the site prior to, or at the beginning of construction. The 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 & Gas operations throughout the state of Colorado in accordance with CFR12.</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 will be required to minimize any commingling of waste materials with stormwater 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.</p> <p>The above BMP's will be provided to all Endeavour Operating Corporation, contractors and will be posted in the company trailer located on location during drilling, completion and production operations.</p>

Total: 1 comment(s)