

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

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Document Number:

400346540

Date Received:

11/21/2012

PluggingBond SuretyID

20120044

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: CASCADE PETROLEUM LLC

4. COGCC Operator Number: 10414

5. Address: 1331 17TH STREET #400

City: DENVER State: CO Zip: 80202

6. Contact Name: JASON DEAN Phone: (303)407-6504 Fax: (303)407-6501

Email: jdean@cascadepetroleum.com

7. Well Name: FORRISTALL STATE Well Number: 22-10S-56W-01

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

9. Proposed Total Measured Depth: 8468

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 22 Twp: 10S Rng: 56W Meridian: 6

Latitude: 39.167140 Longitude: -103.653590

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

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 5489 13. County: LINCOLN

14. GPS Data:

Date of Measurement: 12/10/2012 PDOP Reading: 1.8 Instrument Operator's Name: ROBERT J ROBINO

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: 4000 ft

18. Distance to nearest property line: 276 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5280 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.)
MISSISSIPPIAN	MSSP			
PENNSYLVANIAN	PENN			

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):

E2NW, E/2 22-10S-56W

25. Distance to Nearest Mineral Lease Line: 276 ft 26. Total Acres in Lease: 400

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: EVAP THEN BURY

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	9+5/8	36	0	500	174	500	0
1ST	7+7/8	5+1/2	17	0	8,468	916	8,468	0

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

33. Comments distance to nearest well completed/permited in same formation > 1 mile. Conductor casing will not 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: SAM SCHUESSLER

Title: ENGINEERING TECHNICIAN Date: 11/21/2012 Email: sschuessler@cascadepetroleu

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: 12/18/2012

API NUMBER Permit Number: _____ Expiration Date: 12/17/2014

05 073 06491 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 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 and cement Cheyenne/Dakota interval (5000'-4400' minimum). 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 any DST w/ show, 40 sks cement at 5000' up, 40 sks cement at 4400' 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.

Attachment Check List

Att Doc Num	Name
2518097	FORM 2 SUBMITTED
2518098	WELL LOCATION PLAT
2518099	CONSULT NOTICE
2518100	CONSULT NOTICE
2518101	SURFACE AGRMT/SURETY
2518102	OTHER
2544755	SURFACE CASING CHECK
400346540	FORM 2 SUBMITTED

Total Attach: 8 Files

General Comments

User Group	Comment	Comment Date
Permit	Final review completed; no LGD or public comment received.	12/18/2012 9:19:06 AM
Permit	The NW/4 is being pooled. The W/2 of the NW is owned by the state of Colo. and the E/2 of the NW is Fee. The well location is 1038' from the boundary of the described pooled area.	12/17/2012 2:58:35 PM
Engineer	Reviewd in light of changed SHL & BHL (horizontal to vertical), casing changes.	12/17/2012 2:47:31 PM
Permit	Well was moved off state surface and minerals to fee surface and minerals. Pooling declaration was submitted. Operator will not be using conductor casing.	12/17/2012 6:40:19 AM
Permit	Well location and drilling plan were revised prior to APD approval. Original well configuration was a horizontal well and was changed to a vertical well. The original form 2(400346540) as submitted remains in the well record as well as the revised form 2 submitted(2518097).	12/17/2012 6:38:19 AM
Engineer	Evaluated for wells w/in 500', none.	12/6/2012 5:04:38 PM
LGD	Passed LGD	12/5/2012 1:48:35 PM
Permit	On hold - Is operator using conductor casing.	12/4/2012 11:40:02 AM
Permit	On hold - Surface bond with the state has not been finalized.	12/3/2012 1:50:41 PM
Permit	On hold - Operator is preparing a pooling declaration.	11/30/2012 1:56:12 PM
Permit	Notified State Land Board.	11/30/2012 1:49:47 PM
Permit	On hold - Operator must provide a pooling declaration or space the area for a horizontal well.	11/30/2012 1:48:15 PM
Permit	Operator made corrections.	11/26/2012 1:05:51 PM
Permit	Returned to draft. Directional data spreadsheet needs to be uploaded. BHL needs to be on plat.	11/23/2012 8:17:38 AM

Total: 14 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Construction	Remove only the minimum amount of vegetation necessary for the construction of roads and facilities. Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation. No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.
Final Reclamation	All surface restoration shall be accomplished to the satisfaction of Owner. Final reclamation shall be completed to the reasonable satisfaction of the Owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards (BLM/COGCC).
Interim Reclamation	Utilize only such area around each producing well as is reasonably necessary. Restore the remainder of the well site location to its original condition within a reasonable time after the completion of operations.
Site Specific	Fence the well site after drilling to restrict public and wildlife access. Keep well site location, the road, and the pipeline easement free of litter and debris. Implement dust control, as needed. There will be no release or discharge of any toxic or hazardous chemicals or wastes on Owner's Land. Construct and maintain gates where any roads used cross through fences on the leased premises.
Storm Water/Erosion Control	Use water bars, and other measures to prevent erosion and non-source pollution. Implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation.
Planning	When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.
Drilling/Completion Operations	Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well.

Total: 7 comment(s)