

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:

2237810

Date Received:

11/01/2012

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

20100037

3. Name of Operator: GRYNBERG* JACK DBA GRYNBERG PETROLEUM
CO

4. COGCC Operator Number: 36200

5. Address: 3600 S. YOSEMITE ST - STE 900

City: DENVER State: CO Zip: 80237-1830

6. Contact Name: GENE WEBB Phone: (303)850-7490 Fax: (303)850-7496

Email: J.WOOD@GRYNBERG.COM

7. Well Name: GRYNBERG STATE Well Number: 1

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

9. Proposed Total Measured Depth: 5400

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 3 Twp: 11N Rng: 101W Meridian: 6

Latitude: 40.936400 Longitude: -108.732720

Footage at Surface: 600 feet FNL/FSL 2040 feet FEL/FWL FEL

11. Field Name: SUGAR LOAF Field Number: 80000

12. Ground Elevation: 6994 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 11/23/2012 PDOP Reading: 2.0 Instrument Operator's Name: HEATHER BROWN

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: 2620 ft

18. Distance to nearest property line: 600 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1145 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| LEWIS | LWIS | | | |
| MESAVERDE | MVRD | | | |

21. Mineral Ownership: Fee State Federal Indian Lease #: 38159

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):

State Lease 3795.67: SE/4 Sec. 3.

25. Distance to Nearest Mineral Lease Line: 600 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: _____

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+1/8 | 8+5/8 | 24 | 0 | 306 | 306 | 306 | 0 |
| 1ST | 7+7/8 | 5+1/2 | 17 | 0 | 5,357 | 200 | 5,357 | 4,030 |

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

33. Comments FORM 4 DOC# 2287811

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: JESSICA WOOD

Title: OPERATIONS MGR Date: 10/30/2012 Email: J.WOOD@GRYNBERG.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: 12/23/2012

API NUMBER

05 081 06139 00

Permit Number: _____ Expiration Date: 12/22/2014

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.

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

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

| Att Doc Num | Name |
|-------------|-----------------------------------|
| 2237810 | FORM 2 SUBMITTED |
| 2543526 | DELETED FORM 10 CHANGE TRANS GATH |

Total Attach: 2 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|---------------------------|
| Permit | No LGD or public comments. Final Review--passed. | 12/21/2012 9:50:43 AM |
| Permit | Corrected dist. to nearest rd. and nearest well. Added lease description. No 2A required for this recompletion. | 12/14/2012 1:24:18 PM |
| Engineer | THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 000 FEET DEEP. | 12/10/2012 12:58:40 PM |
| Permit | Form 2 req'd by COGCC. Submitted 11/1. Missing as drilled. Oper. supplied 11/29. | 11/30/2012 8:24:46 AM |

Total: 4 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|-------------|----------------|
| | |

Total: 0 comment(s)