

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:

400324784

Date Received:

10/09/2012

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

3. Name of Operator: ENTEK GRB LLC

4. COGCC Operator Number: 10323

5. Address: 535 16TH STREET #620

City: DENVER State: CO Zip: 80202

6. Contact Name: Kimberly Rodell Phone: (303)820-4480 Fax: (303)820-4124

Email: kim@banko1.com

7. Well Name: FRU Federal Well Number: 1-1

8. Unit Name (if appl): Focus Ranch Unit Number: COC63212X

9. Proposed Total Measured Depth: 8200

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 1 Twp: 11N Rng: 88W Meridian: 6

Latitude: 40.948197 Longitude: -107.203917

Footage at Surface: 653 feet FNL/FSL FNL 659 feet FEL/FWL FEL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 7583 13. County: ROUTT

14. GPS Data:

Date of Measurement: 09/09/2011 PDOP Reading: 2.6 Instrument Operator's Name: Dave Fehringer

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: 5280 ft

18. Distance to nearest property line: 653 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 9392 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.)
Deep Creek	DPCK			
Frontier	FRTR			
Morapos	MRPS			
Niobrara	NBRR			

21. Mineral Ownership: Fee State Federal Indian Lease #: COC59201

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):
T11N R88W Sec. 1: S2N2, S2, Lots: 5-8; Sec. 2: S2N2, N2S2, SESW, S2SE, Lots: 5-8.

25. Distance to Nearest Mineral Lease Line: 653 ft 26. Total Acres in Lease: 1243

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		0	60		60	0
SURF	12+1/4	9+5/8	36#	0	2,000	387	2,000	0
1ST	8+3/4	7	23	0	8,200	252	8,200	6,600
S.C. 1.1					6,600	470	6,600	1,800

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

33. Comments A closed loop system will be utilized. A DV tool will be run at approximately 6,600'.

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: Kimberly Rodell

Title: Permit Agent Date: 10/9/2012 Email: kim@banko1.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: 1/24/2013

API NUMBER 05 107 06252 00	Permit Number: _____	Expiration Date: <u>1/23/2015</u>
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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.

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
2106407	CORRESPONDENCE
400324784	FORM 2 SUBMITTED
400334667	WELL LOCATION PLAT
400334668	DRILLING PLAN
400334671	ACCESS ROAD MAP

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	LGD comments addressed by attached OGLA correspondence. No public comments. Final Review--passed.	1/22/2013 1:49:32 PM
Permit	Corrected qtr/qtr. Removed surface and plugging bonds. #22a is "YES".	11/2/2012 12:59:24 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 00 FEET DEEP.	10/29/2012 2:49:16 PM
LGD	<p>LGD Comments</p> <p>Entek GRB LLC</p> <p>Focus Ranch Unit Federal 1-1</p> <p>Section 1-11-88</p> <p>Routt County</p> <p>COGCC Doc # 400324683 and 400324784</p> <p>1.Routt County has a permitting process for all oil/gas operations. All operators must contact Routt County and comply with the Special Use Permit process before operations may proceed.</p> <p>2.In order to achieve minimal baseline water quality testing, the operator should, at a minimum, comply with the Colorado Oil and Gas Association Voluntary Baseline Groundwater Quality Sampling Program dated November 15, 2011.</p> <p>3.In order to determine the adequacy of the COGA program as it relates to the protection of water resources, all operators should perform studies of the subsurface geology, gradients, groundwater depth, and water flow direction and submit the findings of these studies to Routt County during the local land use application process.</p> <p>4.Routt County requests information from the COGCC after drilling operations are complete for the location of aquifers and showing that casing was completed per minimum requirements of the COGCC regulations to protect all aquifers. This information is generally available via the COGCC website, however, operators may</p>	10/25/2012 8:48:08 AM

request that this information be confidential. Routt County requests this information be made available to the LGD.

5. There is a stream located near the proposed access road. At this time Routt County has been informed that water ways will not be crossed by the new access road to the well pad. However, it is unclear how close the access will be located from the stream. Routt County has waterbody setback requirements and this access may be reviewed for off-site impacts.

6. The well pad is east of an intermittent drainage. The petitioner agreed during the site visit to reroute the access road to avoid this drainage area. Maps have been submitted to the COGCC reflecting this change, but there are also location maps submitted with both the Forms 2 and 2A showing the previous access. The location maps need to be updated and reflect the re-routed access to avoid the drainage area. Any access roads and the well pad should have a comprehensive BMP plan and be continually monitored for protection of these water sources from erosion and contaminants.

7. Continued best management practices should be used to test or monitor air quality. The COGCC should work with the CDPHE to develop monitoring system requirements and schedules for all operators. New technology should be used to reduce emissions from tanks, equipment and flares at the onset of production.

8. The location of the site is mapped for geologic concerns of landslide area and directly on or immediately adjacent to a fault line. A portion of the proposed access will travel through or immediately adjacent to mapped area of unstable slopes.

9. The area where the well pad is located is mapped for moderate and high wildfire with a S/SW aspect and/or slopes greater than 30%. Fire extinguishers should be on-site during any operations or maintenance.

10. There are mapped wildlife concerns in this area which include Elk winter range; Sharp-tail Grouse production area and Greater Sage Grouse production area and the pad is located immediately north of the mapped area for GSG brood area. During the site visit, noise mitigation for wildlife was discussed including berms to mitigate noise. Wildlife restrictions should be strictly enforced and Entek should adhere to the wildlife mitigation placed by the CDPW.

Routt County recommends the following conditions:

1. Entek must receive a Routt County Special Use Permit before any road construction or drilling operations.
2. Entek must, at a minimum, comply with the COGA sampling program.
3. Entek must perform geological and hydrological studies of the area and submit the findings to Routt County.
4. Notification of depth of aquifer and casing depth below aquifer shall be submitted to Routt County after completion of drilling operations.
5. Entek must supply Routt County with information pertaining to access road location and its proximity to any water body, temporary or permanent.
6. The SWAMP permit must be submitted to Routt County.
7. Entek shall use existing BMPs and incorporate new technologies when practicable to reduce all emissions through all phases of development.
8. A review of the site shall be conducted by the Colorado Geologic Survey to determine if the site is located in an area of geologic concerns and if the site should be mitigated or relocated.
9. Fire extinguishers shall be on-site during any operations or maintenance.

	<p>10.All restrictions recommended by CDPW shall become conditions of approval and shall be strictly enforced.</p> <p>11.Access is shown from Moffat County Road 129. If access changes and Routt County roads are used, all applicable permits from the Routt County Road and Bridge Department such as access, SWMP and GG must be obtained.</p>	
Permit	This form passed completeness.	10/9/2012 1:45:35 PM

Total: 5 comment(s)

BMP

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

Total: 0 comment(s)