

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:

400327348

Date Received:

01/16/2013

PluggingBond SuretyID

20110198

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: CONDOR ENERGY TECHNOLOGY LLC4. COGCC Operator Number: 103945. Address: 3315 HIGHWAY 50City: SILVER SPRINGS State: NV Zip: 894296. Contact Name: Angie Galvan Phone: (281)716-5730 Fax: (281)815-2882Email: Angie.Galvan@stxra.com7. Well Name: Waves Well Number: 3H

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

9. Proposed Total Measured Depth: 12449

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 17 Twp: 7N Rng: 59W Meridian: 6Latitude: 40.568480 Longitude: -104.001590

Footage at Surface: 246 feet FNL/FSL 2368 feet FEL/FWL FEL

11. Field Name: Wildcat Field Number: 9999912. Ground Elevation: 4942 13. County: WELD

14. GPS Data:

Date of Measurement: 09/07/2012 PDOP Reading: 1.8 Instrument Operator's Name: Marc Woodard15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 615 FSL 1990 FEL 660 FNL 2340 FEL 660
 Bottom Hole: FNL/FSL 660 FNL 2340 FEL 660
 Sec: 17 Twp: 7N Rng: 59W Sec: 16 Twp: 7N Rng: 59W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 240 ft18. Distance to nearest property line: 246 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1290 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.)
NIOBRARA	NBRR	535-243	1280	16 & 17

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#:23a. 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):

S/2 Section 17 Township 7 North, Range 59 West, 6th PM Weld County, Colorado

25. Distance to Nearest Mineral Lease Line: 0 ft

26. Total Acres in Lease: 320

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	24	16	75	0	40	20	40	0
SURF	12+1/4	9+5/8	36	0	1,000	500	1,000	0
1ST	8+3/4	7	26	0	6,600	650	6,600	
1ST LINER	6+1/8	4+1/2	11.6	6560	12,449			

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

33. Comments This Form 2 is to be submitted the the Form 2A (Document Number:400350241)APPLICATION TO ESTABLISH A SPACING UNIT HAS BEEN MADE AND IS ON THE JANUARY 7 DOCKET. A Facility ID for Land Spreading has been established (Facility ID#29467)

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: Angelina Galvan

Title: Regulatory Analyst Date: 1/16/2013 Email: Angie.Galvan@stxra.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: 3/14/2013

API NUMBER

05 123 36973 00

Permit Number: _____ Expiration Date: 3/13/2015

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) Provide cement coverage to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
2485374	SURFACE CASING CHECK
400327348	FORM 2 SUBMITTED
400356275	30 DAY NOTICE LETTER
400368391	DIRECTIONAL DATA
400368393	DEVIATED DRILLING PLAN
400368397	WELL LOCATION PLAT

Total Attach: 6 Files

General Comments

User Group	Comment	Comment Date
Permit	Final Review Completed. No LGD or public comment received.	3/13/2013 2:32:49 PM
Permit	State land board ok with location and bond.	3/13/2013 2:32:43 PM
Permit	Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 615'.	2/12/2013 6:09:41 AM
Permit	Input spacing order and related form 2A.	2/12/2013 6:09:04 AM
Engineer	No existing wells within 500' of proposed directional w/o zonal isolation.	2/4/2013 9:54:47 AM
Permit	Removed surface surety id # since operator has O&G lease with surface owner per 2A. Waiting on finalized orders. Initial review complete. Notified state land board. This well will produce both fee (Section 17) and state (Section 16) minerals.	1/23/2013 12:29:31 PM
Permit	Received authorization to insert Surface surety ID# of 20110197.	1/18/2013 1:16:54 PM
Permit	Line # 22 says surface owner is the mineral owner but 22a. says that the surface owner's signature is not on the lease. Requested clarification from operator.	1/18/2013 6:17:08 AM
Permit	Returned to draft. Requested corrected SHL, BHL, and surface and minerals information.	1/17/2013 10:37:23 AM

Total: 9 comment(s)

BMP

Type	Comment
Drilling/Completion Operations	Operator will ensure 110 percent secondary containment for any volume of fluids contained at the well site during drilling and completion. Operator will implement best management practices to contain any unintentional release of fluids. Fresh water for the Fresh Water Storage Pit comes from a water provider; water sources permitted for consumable industrial use.
Construction	Operator has designed the well pad with insloping and a storm water control ditch to prevent storm water run-on/run-off and the release of fluids for the location. See attached Construction Layout Drawing. The location will be fenced and the fenced.

Total: 2 comment(s)