

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:

400356097

Date Received:

12/14/2012

PluggingBond SuretyID

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: BLACK HILLS PLATEAU PRODUCTION LLC

4. COGCC Operator Number: 10150

5. Address: 1515 WYNKOOP ST STE 500

City: DENVER State: CO Zip: 80202

6. Contact Name: Jessica Donahue Phone: (720)210-1333 Fax: (303)566-3344

Email: Jessica.Donahue@blackhillscorp.com

7. Well Name: Homer Deep Unit Well Number: 9-11BH

8. Unit Name (if appl): Homer Deep Unit Unit Number: COC72921X

9. Proposed Total Measured Depth: 16920

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 9 Twp: 8S Rng: 98W Meridian: 6

Latitude: 39.380250 Longitude: -108.339620

Footage at Surface: 297 feet FNL/FSL 392 feet FEL/FWL
FNL FWL

11. Field Name: South Shale Ridge Field Number: 77760

12. Ground Elevation: 5525 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 11/20/2012 PDOP Reading: 1.8 Instrument Operator's Name: Aaron Grosch

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
1109 FNL 596 FWL 1801 FSL 711 FWL
Sec: 9 Twp: 8S Rng: 98W Sec: 15 Twp: 8S Rng: 98W

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: 369 ft

18. Distance to nearest property line: 1740 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1348 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.)
Mancos	MNCS			

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC012733
A

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):

T8S R98W: S2SW Sect. 3; SENE, SESW, NESE Sect. 6; Lots 1-3, 5-7 Sect. 6; NENE Sect. 8; NENE, W2, SE Sect. 9; N2NW, NWSW, S2SW Sect. 10. This is a horizontal wellbore crossing 3 fed. leases.

25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 1198

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	20		0	80		80	0
SURF	17+1/2	13+3/8	54.5	0	560	300	560	0
1ST	12+1/4	9+5/8	40	0	5,450	1,405	5,450	200
2ND	6+1/8	4+1/2	11.6	0	16,920	662	16,920	7,009
1ST LINER	8+3/4	7	23	5250	7,590	305	7,590	5,250

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

33. Comments _____

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 Donahue

Title: Regulatory Technician Date: 12/14/2012 Email: Jessica.Donahue@blackhillscor

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: 3/20/2013

API NUMBER

05 045 21933 00

Permit Number: _____ Expiration Date: 3/19/2015

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

(2) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE GARFIELD COUNTY RULISON-FIELD NOTICE TO OPERATORS IS REQUIRED.

(3) Provide cement coverage from the intermediate casing shoe to a minimum of 200' above the shallowest-known producing horizon. Verify cement with a cement bond log.

•If the production liner is cemented, verify cement with a cement bond log.

Applicable Policies and Notices to Operators

Piceance Rulison Field - Notice to Operators.

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400356097	FORM 2 SUBMITTED
400358341	DRILLING PLAN
400358342	FED. DRILLING PERMIT
400358343	WELL LOCATION PLAT
400358359	DEVIATED DRILLING PLAN
400358360	DEVIATED DRILLING PLAN
400358376	DIRECTIONAL DATA
400358378	LOCATION DRAWING
400358379	CONST. LAYOUT DRAWINGS
400358380	LOCATION PICTURES

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No LGD or public comments. Final Review--passed.	3/20/2013 7:15:09 AM
Permit	Corrected dist. to prop. line per oper. Deleted multiple obj. fms.	2/6/2013 9:28:25 AM
Permit	Distance to nearest mineral lease is 0'. Horizontal wellbore crosses multiple fed. leases. Distance to nearest unit boundary is 1109' (Top PZ).	1/7/2013 7:38:03 AM
LGD	Passed DB	1/2/2013 10:56:42 AM
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 110 FEET DEEP.	12/19/2012 2:45:11 PM

Total: 5 comment(s)

BMP

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

Total: 0 comment(s)