

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:

400400719

Date Received:

04/10/2013

PluggingBond SuretyID

20120107

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: AURORA POWER RESOURCES INC

4. COGCC Operator Number: 10440

5. Address: 6051 NORTH COURSE DR

City: HOUSTON State: TX Zip: 77072

6. Contact Name: Kimberly Rodell Phone: (303)942-0506 Fax: ()

Email: krodell@upstreampm.com

7. Well Name: CC Karval Well Number: 2

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

9. Proposed Total Measured Depth: 6600

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 12 Twp: 18S Rng: 54W Meridian: 6

Latitude: 38.496060 Longitude: -103.399990

Footage at Surface: 660 feet FNL/FSL 1980 feet FEL/FWL FEL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 4457 13. County: KIOWA

14. GPS Data:

Date of Measurement: 03/15/2013 PDOP Reading: 1.9 Instrument Operator's Name: Robert Daley

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: 619 ft

18. Distance to nearest property line: 649 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 11870 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.)
Mississippian	MSSP			

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):

Please see attached lease description.

25. Distance to Nearest Mineral Lease Line: 627 ft

26. Total Acres in Lease: 6807

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: Backfill and cover

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	94	0	30	75	30	0
SURF	12+1/4	8+5/8	24	0	400	250	400	0
1ST	7+7/8	5+1/2	15.5	0	6,600	330	6,600	4,200

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: Kimberly J. Rodell

Title: Permit Agent

Date: 4/10/2013

Email: krodell@upstreampm.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: 5/11/2013

API NUMBER

05 061 06883 00

Permit Number: _____ Expiration Date: 5/10/2015

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) If production casing is set provide cement coverage to at least 200' above the shallowest completed interval and cement Cheyenne/Dakota interval (1950'-1350' minimum). Run and submit CBL.
- 3) If well is a dry hole set plugs at the following depths: 40 sks cement +/- 50' above the MSSP, 40 sks cement +/- 50' above any DST w/ show, 40 sks cement at 1950' up, 40 sks cement at 1350' 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.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400400719	FORM 2 SUBMITTED
400400731	PLAT
400400732	LEGAL/LEASE DESCRIPTION
400400751	TOPO MAP
400402652	DRILLING PLAN

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	5/10/2013 2:43:31 PM
Permit	Operator is following statewide setback Rule 318a. There is no assigned 40 acre units.	4/11/2013 12:21:24 PM
Permit	Operator has listed a 40 acre unit with the objective. This are is not unitized. Requested clarification.	4/11/2013 11:39:54 AM
Permit	This form has passed completeness.	4/11/2013 6:03:16 AM

Total: 4 comment(s)

BMP

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