

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:

400378893

Date Received:

04/03/2013

PluggingBond SuretyID

20120073

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☒ GAS ☐ COALBED ☐ OTHER ☐ LATERAL ☐
SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐

Refilling ☐

Sidetrack ☒

3. Name of Operator: CHAMA OIL & MINERALS LLC

4. COGCC Operator Number: 10431

5. Address: PO BOX 50203

City: MIDLAND State: TX Zip: 79710

6. Contact Name: WILLIAM HEARD Phone: (432)683-8000 Fax: (432)683-8250

Email: BILL.HEARD@CHAMAOIL.COM

7. Well Name: FISCHER STATE 16-19-48 Well Number: 1-H

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

9. Proposed Total Measured Depth: 9300

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 16 Twp: 19S Rng: 48W Meridian: 6

Latitude: 38.409899 Longitude: -102.801869

Footage at Surface: 660 feet FNL 600 feet FWL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 4025 13. County: KIOWA

14. GPS Data:

Date of Measurement: 01/25/2013 PDOP Reading: 2.1 Instrument Operator's Name: C. VANMATRE

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
660 FNL 910 FWL 660 FNL 600 FEL
Sec: 16 Twp: 19s Rng: 48w Sec: 16 Twp: 19S Rng: 48W

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: 4600 ft

18. Distance to nearest property line: 600 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5280 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.)
SPERGEN	SPGN			
ST. LOUIS	STLS			

21. Mineral Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian Lease #: 1899.12

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):

SECTION 16 (ALL), T-19-S, R-48-W

25. Distance to Nearest Mineral Lease Line: 600 ft

26. Total Acres in Lease: 640

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: PLACE IN CUTTINGS PIT.

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+1/4	9+5/8	36#	0	1,250	600	1,250	0
1ST	8+3/4	7	26#	0	5,750	400	5,750	3,400
2ND	6+1/8	4+1/2	13.5#	4600	9,300			

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

33. Comments NO CONDUCTOR TO BE USED. FISCHER STATE 16-19-48 #1-P AND #1-H WILL BE DRILLED FROM THE SAME WELL BORE. THE 1-P WILL BE DRILLED AS A VERTICAL PILOT HOLE TO APPROXIMATE TD OF 6200'. WELL WILL THEN BE PLUGGED BACK AND THE 1-H LATERAL WILL BE DRILLED AS NOTED ON THE PLAT.

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: WILLIAM HEARD

Title: PROJECT DRILLING ENGINEER

Date: 4/3/2013

Email: BILL.HEARD@CHAMAOIL.CO

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: 5/15/2013

API NUMBER

05 061 06882 01

Permit Number: _____ Expiration Date: 5/14/2015

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 hr notice prior to spud via electronic Form 42.
- 2) Set at least 1250' of surface casing (100' below base of Dakota-Cheyenne aquifer), cement to surface. Or set 600' surface casing and stage cement from 1250' to 50' above surface casing shoe.
- 3) If production casing is set cement from TD to 200' above shallowest completed interval. Verify with CBL.
- 4) Plug back pilot hole with 40 sks cement 50' above the MSSP top, plus kickoff plug.
- 5) If well is a dry hole set the following plugs: 40 sks cement 50' above the Morrow, 40 sks cement across any DST w/ show, 50 sks cement from 50' below to 50' above surface casing shoe, 40 sks cement at 700', 15 sks cement in top of surface csg, cut 4 feet below GL, weld on plate, 5 sks cement 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
400378893	FORM 2 SUBMITTED
400398818	DEVIATED DRILLING PLAN
400402130	PLAT
400402397	DIRECTIONAL DATA

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	API number added along with sidetrack designation.	5/10/2013 10:13:40 AM
Final Review	ON HOLD - needs API #	5/10/2013 8:26:52 AM
Permit	Final review completed; no LGD or public comment received.	5/6/2013 7:46:27 AM
Permit	In compliance with the State Land Board.	4/26/2013 12:24:43 PM
Permit	This permit is the lateral of a pilot/lateral drilling plan and this permit should have a sidetrack designation in the API number.	4/25/2013 3:05:16 PM
Permit	Notified the State Land Board	4/25/2013 3:03:36 PM
Permit	Operator attached plat and directional information. This form has passed completeness.	4/11/2013 6:38:09 AM
Permit	Returned to draft: missing well location plat, and directional data.	4/4/2013 3:32:02 PM

Total: 8 comment(s)

BMP

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