

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:

400391926

Date Received:

04/24/2013

PluggingBond SuretyID

20130007

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☒ GAS ☐ COALBED ☐ OTHER ☐ Sidetrack Lateral
SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐Refiling ☐Sidetrack ☒

3. Name of Operator: EE3 LLC

4. COGCC Operator Number: 10450

5. Address: 4410 ARAPAHOE AVENUE #100

City: BOULDER State: CO Zip: 80303

6. Contact Name: CLAYTON DOKE Phone: (303)216-0703 Fax: (303)216-2139

Email: cdoke@iptengineers.com

7. Well Name: SPICER Well Number: 3-32H

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

9. Proposed Total Measured Depth: 11082

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 32 Twp: 7N Rng: 80W Meridian: 6

Latitude: 40.528361 Longitude: -106.404461

Footage at Surface: 645 feet FNL/FSL 747 feet FEL/FWL
FSL FWL

11. Field Name: UNNAMED Field Number: 85251

12. Ground Elevation: 8226 13. County: JACKSON

14. GPS Data:

Date of Measurement: 11/04/2007 PDOP Reading: 1.9 Instrument Operator's Name: UINTAH ENGINEERING & LAND SURVEY

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
1100 FSL 893 FWL 609 FNL 2065 FWL
Sec: 32 Twp: 7N Rng: 80W Sec: 32 Twp: 7N Rng: 80W16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 353 ft

18. Distance to nearest property line: 747 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1911 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	531-1	480	W/2, SE/4

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC6206322. 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):

TOWNSHIP 7 NORTH, RANGE 80 WEST, SEC 29: S/2SW, SEC 31: NENE, S/2NE, S/2SE, SWSE & SEC 32: NW, N/2SW, NESE, S/2NE. TOWNSHIP 6 NORTH RANGE 80 WEST, SEC 4: S/2NW, SW, SEC 5: LOTS 2, 3, SENW, E/2SW, SEC 6: LOTS 2, 3, SEC 8: SESE, SEC 9: NW, N/2SW, SESW, SEC 17: NW, W/2NE, NENE. BLM LEASE COC062063; TOWNSHIP 7 NORTH, RANGE 80 WEST SEC. 32 S/2SW/4 7 NWSE.

25. Distance to Nearest Mineral Lease Line: 0 ft

26. Total Acres in Lease: 1924

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: Back fill 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	20	16	65	0	60		60	
SURF	12+1/4	9+5/8	36	0	800	430	800	0
1ST	8+3/4	7	23	0	7,323	625	7,323	989
1ST LINER	6+1/4	4+1/2	11.6	6373	11,086	450	11,086	6,373

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

33. Comments Conductor casing was run by previous operator and was set at an unknown depth. Distance cited in #17 is to an above ground utility (Powerline). The distance to the nearest building is 2990'. Lands subject to order #531-1 contain both fee and Federal minerals. Thus question #21 lists federal. These documents were executed under the previous operator of record, but were transferred along with the acreage pursuant to the purchase agreement already on file with the state (Doc #: 400395635). Per BLM request we are submitting this application concurrently with the BLM permit, a copy of which is here attached.

34. Location ID: 324754

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: CLAYTON DOKE

Title: SENIOR ENGINEER

Date: 4/24/2013

Email: cdoke@iptengineers.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: 6/19/2013

API NUMBER

05 057 06469 01

Permit Number: _____ Expiration Date: 6/18/2015

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) PROVIDE CEMENT COVERAGE FROM THE INTERMEDIATE CASING SHOE TO A MINIMUM OF 200' ABOVE TOP OF GAS (OR OTHER SHALLOWEST-KNOWN PRODUCING HORIZON). VERIFY CEMENT WITH A CBL.

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Attachment Check List

Att Doc Num	Name
400391926	FORM 2 SUBMITTED
400403482	WELL LOCATION PLAT
400409017	DEVIATED DRILLING PLAN
400409018	DIRECTIONAL DATA
400419604	FED. DRILLING PERMIT

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	6/18/2013 8:12:29 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 200 FEET DEEP.	5/31/2013 10:54:49 AM
Permit	Form 2A has not been approved by DOW and OGLA. Horizontal wellbore will produce from multiple leases.	5/31/2013 9:52:06 AM
Permit	This wellbore will be a horizontal lateral sidetrack wellbore drilled from a vertical pilot wellbore. Requested info on #24 "0" distance to mineral lease line.	5/24/2013 10:39:13 AM
Permit	Requested corrections have been made. Form passes completeness.	5/21/2013 1:25:44 PM
Permit	Requested review of the Lat/long for SHL. Well location plat shows 40.528361 not 40.538361 as given. Returned to DRAFT.	5/17/2013 4:47:52 AM
Permit	RTD: Operator needs to review bottom hole location. BHL is 587 feet from unit boundary and 531-1 says must be 600 feet.	4/25/2013 10:46:49 AM

Total: 7 comment(s)

BMP

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