

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:

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Date Received:

03/22/2013

PluggingBond SuretyID

20120059

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: PETROLEUM RESOURCE MANAGEMENT CORP.

4. COGCC Operator Number: 10421

5. Address: 1580 LINCOLN ST., STE 635

City: DENVER State: CO Zip: 80203

6. Contact Name: Duncan Shepherd Phone: (303)861-9480 Fax: (303)861-7362

Email: petromgt@att.net

7. Well Name: Wiregrass 10-88-7 Well Number: #2-1

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

9. Proposed Total Measured Depth: 10000

WELL LOCATION INFORMATION

10. QtrQtr: Tr 38 Sec: 7 Twp: 10N Rng: 88W Meridian: 6

Latitude: 40.846434 Longitude: -107.310765

Footage at Surface: 784 feet FNL/FSL 1477 feet FEL/FWL
FNL FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 7986 13. County: ROUTT

14. GPS Data:

Date of Measurement: 12/08/2012 PDOP Reading: 3.0 Instrument Operator's Name: Kyle Tesky

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: 2220 ft

18. Distance to nearest property line: 1477 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 7490 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.)
Fort Union	FTUN			
Lance	LNCE			
Mancos	MNCS			
Mesa Verde	MVRD			

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):

T10N, R88W, 6th PM: Sections 5 and 6 - S2 of HE Survey 180; Section 5 - E2SW; Sections 6 and 7 - Tract 38; Section 6 - Lots 16, NESW, SENW, N2SE; Section 7 - E2NE; and Section 8 - W2NW. T11N, R88W, 6th PM: Section 30 - Tract 44 fda Section 30: NE; Section 31 and 32 - N2 of H.E.Survey #180. Containing 807.63 acres more or less in Routt County, Colorado.

25. Distance to Nearest Mineral Lease Line: 600 ft 26. Total Acres in Lease: 807

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

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.

If 28, 29, or 30 are "Yes" a pit permit may be required.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	20+0/0	16+0/0	65	0	80	100	80	0
SURF	12+1/4	8+5/8	24	0	980	508	980	0
1ST	7+7/8	5+1/2	17	0	10,000	1,045	10,000	0

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

33. Comments After initial WOC time, SOW 11" x 8-5/8", 3000-psi casing head will be installed. BOP equipment will consist of a 11", 3000-psi, double ram preventer with blind and pipe rams as well as an annular preventer. An HRC will be installed between BOP spool and Choke manifold with controls on rig floor. Spool will be located between csg. head and BOPs. There are no improvements within 400 feet of the proposed well.

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: Rick Obernolte

Title: Environmental Consultant Date: 3/22/2013 Email: rickobe1@aol.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: 7/21/2013

API NUMBER

05 107 06257 00

Permit Number: _____ Expiration Date: 7/20/2015

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.

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
2157136	WELL LOCATION PLAT
2157137	LOCATION DRAWING
400393009	FORM 2 SUBMITTED
400394360	OTHER
400394948	MINERAL LEASE MAP
400395981	SURFACE AGRMT/SURETY

Total Attach: 6 Files

General Comments

User Group	Comment	Comment Date
Permit	No LGD or public comments. Final Review--passed.	7/8/2013 12:58:52 PM
Permit	Oper. submitted 3rd revision of well loc. plat. Made corrections on permit accordingly.	6/14/2013 10:53:55 AM
Permit	Oper. submitted revised well loc. plat with PDOP of 2.0. Corrected distance to prop. line to 1475'. Removed surface surety bond.	4/15/2013 9:05:15 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 600 FEET DEEP.	4/1/2013 8:52:51 AM
Permit	This form has passed completeness. Oper. made corrections. PDOP issue to be resolved at onsite in mid-April.	3/29/2013 11:26:33 AM
Permit	Returned to draft: 1) Need plugging bond. 2) PDOP reading greater than 6.0. (Rule 215.d)	3/26/2013 2:16:31 PM
Permit	Returned to draft: 1) Need plugging bond. 2) Qtr/qtr should be TR 38. 3) PDOP reading greater than 6.0. (Rule 215.d) 4) SUA not signed.	3/25/2013 9:45:17 AM

Total: 7 comment(s)

BMP

Type	Comment