

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:

400431487

Date Received:

06/11/2013

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

Refiling

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: ROY MERRILL Phone: (719)429-2229 Fax: (432)683-8250

Email: ROY.MERRILL@ME.COM

7. Well Name: WEINER STATE 16-19-47 Well Number: 1-H

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

9. Proposed Total Measured Depth: 9100

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 16 Twp: 19S Rng: 47W Meridian: 6

Latitude: 38.409690 Longitude: -102.677110

Footage at Surface: 600 feet FNL 660 feet FEL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 4108 13. County: KIOWA

14. GPS Data:

Date of Measurement: 09/16/2012 PDOP Reading: 2.6 Instrument Operator's Name: R GABRIEL

15. If well is  Directional  Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: 1050 FNL 660 FEL Bottom Hole: 600 FSL 660 FEL  
Sec: 16 Twp: 19S Rng: 47W Sec: 16 Twp: 19S Rng: 47W

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: 5000 ft

18. Distance to nearest property line: 600 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 3935 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           |                         |                               |                                      |

21. Mineral Ownership:  Fee  State  Federal  Indian Lease #: 1895.12

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-19S, R-47-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: PLACED 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             | 508           | 340       | 508     | 0       |
| 1ST         | 8+3/4        | 7              | 26    | 0             | 5,745         | 500       | 5,745   | 3,836   |
| S.C. 1.1    |              |                |       |               | 1,670         | 250       | 1,670   | 1,450   |
| 2ND         | 6+1/8        | 4+1/2          | 13.5  | 0             | 9,100         |           |         |         |

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

33. Comments NO CONDUCTOR USED. DRILLED PILOT HOLE TO 5935' AND LOGGED. PLUGGED BACK TO 4694'. DRILLED CURVE TO 5745'. SET AND CEMENTED 7" AT 5745'. DRILLED LATERAL TO 8580'. GEOLOGIC INTERPRETATION INDICATED WELL BORE TO BE IN SPERGEN FORMATION BUT MOSTLY IN POOR QUALITY RESERVOIR. PLAN TO SET CIBP AT 5645' INSIDE 7" CASING, SET WHIPSTOCK AND CUT WINDOW. SIDETRACK LATERAL TO PLACE WELL BORE IN BETTER DEVELOPED RESERVOIR.

34. Location ID: 430830

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: 6/11/2013 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: 7/21/2013

API NUMBER: **05 061 06881 02** 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.

Disposal onsite must meet rule 910 standards.

### Attachment Check List

| Att Doc Num | Name             |
|-------------|------------------|
| 2518453     | CORRESPONDENCE   |
| 400431487   | FORM 2 SUBMITTED |

Total Attach: 2 Files

### General Comments

| <u>User Group</u> | <u>Comment</u>   | <u>Comment Date</u>      |
|-------------------|--|--------------------------|
| Permit            | Form 2A says Offsite disposal at a disposal facility. This form says onsite at pit.  | 6/26/2013<br>11:46:48 AM |
| Permit            | Public and LGD comment is waived because this permit is an emergency sidetrack of an existing permitted location. Bottom hole location remains the same.   | 6/13/2013<br>10:55:53 AM |
| Permit            | Pass Completeness. This is a SIDETRACK to reach better pay portion of reservoir. Sundry# 400431479 received which describes Operator intent to procede with sidetrack. Form 5's requested on straight hole and on lateral to point of sidetrack. | 6/12/2013<br>2:55:28 PM  |

Total: 3 comment(s)

### BMP

| <u>Type</u> | <u>Comment</u> |
|-------------|----------------|
|             |                |