

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:

400380152

Date Received:

05/16/2013

PluggingBond SuretyID

20100013

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: SCHNEIDER ENERGY SERVICES INC

4. COGCC Operator Number: 76840

5. Address: P O BOX 297

City: FORT MORGAN State: CO Zip: 80701

6. Contact Name: Fabrianna Venaducci Phone: (303)2790789 Fax: (303)2791124

Email: fabrianna@jameskaro.com

7. Well Name: Trend Well Number: 3-1

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

9. Proposed Total Measured Depth: 6325

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 34 Twp: 5N Rng: 60W Meridian: 6

Latitude: 40.353478 Longitude: -104.073229

Footage at Surface: 1320 feet FNL/FSL 660 feet FEL/FWL FEL

11. Field Name: Trend Field Number: 83900

12. Ground Elevation: 4393 13. County: MORGAN

14. GPS Data:

Date of Measurement: 02/11/2013 PDOP Reading: 1.0 Instrument Operator's Name: tbd

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: _____

18. Distance to nearest property line: 660 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): _____ ft

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.)
D SAND	DSND			

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):

E2SE, SEC 34, T5N, R60W, 6th PM, and other lands outside section.

25. Distance to Nearest Mineral Lease Line: 660 ft 26. Total Acres in Lease: 240

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: _____

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	8+5/8	24	0	247	230	247	0
1ST	7+7/8	4+1/2	11.5	0	6,325	230	6,325	4,800

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

33. Comments This is a reentry permit. Original well was drilled and abandoned. Existing surface casing will be used. No conductor casing will be used.

34. Location ID: 395694

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: Fabrianna Venaducci

Title: Contract Landman Date: 5/16/2013 Email: fabrianna@jameskaro.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

05 087 07938 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) Provide 48 hour notice prior to spud via electronic Form 42.
- 2) Provide cement coverage to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) If dry hole, set 40 sk cement 50' above J-Sand, 40 sk cement 50' above D-Sand, 40 sk cement 50' above Niobrara, 50 sks cement from 50' below to 50' above surface casing shoe, 15 sks cement top of surface casing, cut 4' below GL, weld on plate, or set dry hole marker, 5 sks cement in rat hole & 5 sks cement in mouse hole.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400380152	FORM 2 SUBMITTED
400419875	SURFACE AGRMT/SURETY

Total Attach: 2 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed. No LGD or public comments.	7/17/2013 6:30:50 AM
Engineer	Received info from operator. The proposed production casing is as follows: Hole size: 7 7/8 , Casing Size: 4 1/2, Weight per Ft:11.5#, Casing Top:Surface Setting Depth:6325 , Sax Cement:230, Cement Bottom: (), Cement Top:4800 (400' above the Niobrara).	5/30/2013 4:13:44 PM
Engineer	5/29/13 - requested operator supply missing production casing information (Size of Hole, Size of Casing, Wt/Ft, Setting Depth, Sacks Cmt, Cmt Btm, Cmt Top).	5/30/2013 4:12:29 PM
Permit	Does a re-entry have to comply with the new ground water rule?	5/21/2013 9:09:26 AM
Permit	Requested distance to nearest building.....and from the nearest well.	5/21/2013 7:51:04 AM
Permit	Passed completeness.	5/17/2013 6:53:37 AM

Total: 6 comment(s)

BMP

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