

FORM
2Rev
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



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Date Received:

07/09/2013

PluggingBond SuretyID

20120073

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☐ GAS ☐ COALBED ☐ OTHER Salt Water Disposal
SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐Refiling ☐Sidetrack ☐3. Name of Operator: CHAMA OIL & MINERALS LLC4. COGCC Operator Number: 104315. Address: PO BOX 50203City: MIDLAND State: TX Zip: 797106. Contact Name: Roy Merrill Phone: (719)429.2225 Fax: (303)892.9299Email: roy.merrill@me.com7. Well Name: Mousel State 16-14-48 Well Number: 1-SWD

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

9. Proposed Total Measured Depth: 6500

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 16 Twp: 14S Rng: 48W Meridian: 6Latitude: 38.825899 Longitude: -102.791492Footage at Surface: 1350 feet FNL/FSL 1350 feet FEL/FWL
FSL FWL11. Field Name: Wildcat Field Number: 9999912. Ground Elevation: 4325.1 13. County: CHEYENNE

14. GPS Data:

Date of Measurement: 06/25/2013 PDOP Reading: 2.3 Instrument Operator's Name: C. Van Matre15. 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 ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 1350 ft18. Distance to nearest property line: 1350 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 11000 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.)
ARBUCKLE	ABCK			

21. Mineral Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian Lease #: 1999.1222. 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):

25. Distance to Nearest Mineral Lease Line: 1350 ft26. 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 ☒ No29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? ☐ Yes ☒ No30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☒ No31. 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: See Operator Comments

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	14+3/4	10+3/4	40.5	0	500	250	500	0
1ST	9+7/8	7+5/8	26.4	0	5800	400	5800	3300
OPEN HOLE	6+3/4		0	5800	6500			

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

33. Comments No Conductor will be used. Well is being drilled vertically for salt water disposal only. Mud will be disposed on site by placing in cuttings pit at end of well, allowing solids to settle. Free liquids will be removed and taken to a disposal well. Solids and cuttings will be stabilized in pit. Pit contents will be sampled and analyzed to insure compliance with Table 910-1 criteria prior to pit closure.

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? ☐ Yes ☒ No36. 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: Roy MerrillTitle: Drilling Engineer Date: 7/9/2013 Email: roy.merrill@me.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: 8/13/2013**API NUMBER**

05 017 07766 00

Permit Number: _____ Expiration Date: 8/12/2015**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.

COA Type	Description
	1) Provide 48 hour notice prior to spud via electronic Form 42. 2) Provide cement coverage to at least 200' above the Marmaton and across Cheyenne/Dakota (2200'-1580' minimum). Run and submit CBL to verify cemented intervals. 3) Injection is not authorized until approval of Forms 31 and 33. 4) Prior approval of Form 4 is required for step rate and injectivity tests. 5) Retrieve water sample before stimulating formation.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400441749	FORM 2 SUBMITTED
400442996	PLAT
400443006	OTHER
400443026	ACCESS ROAD MAP
400444086	MINERAL LEASE MAP
400444908	30 DAY NOTICE LETTER

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	8/12/2013 10:22:39 AM
Permit	COGCC water disposal review is holding the UIC permit until the land use agreement with the state is finalized. Permission to drill is governed by the issuance of the UIC permit.	8/12/2013 10:18:17 AM
Permit	On hold - Requested an update.	3/5/2013 2:09:42 PM
Permit	SLB says they have not submitted an application for a disposal well as yet.	7/12/2013 6:01:47 AM
Permit	Notified the State Land Board.	7/11/2013 9:54:47 AM
Permit	This form has passed completeness.	7/10/2013 6:17:56 AM

Total: 6 comment(s)

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>