

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:

400432969

Date Received:

07/12/2013

PluggingBond SuretyID

20120073

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☒ GAS ☐ COALBED ☐ OTHER ☐ PILOTSINGLE 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)429-2225 Fax: (432)683-8250

Email: ROY.MERRILL@ME.COM

7. Well Name: HEART 22-15-48

Well Number: 1-P

8. Unit Name (if appl):

Unit Number:

9. Proposed Total Measured Depth: 6200

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 22 Twp: 15S Rng: 48W Meridian: 6

Latitude: 38.733772

Longitude: -102.760342

Footage at Surface: 600 feet FNL/FSL 660 feet FEL/FWL

11. Field Name: WILDCAT

Field Number: 99999

12. Ground Elevation: 4273

13. County: CHEYENNE

14. GPS Data:

Date of Measurement: 05/14/2013 PDOP Reading: 2.4 Instrument Operator's Name: C VAN MATRE

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: 600 ft

18. Distance to nearest property line: 600 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5300 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 #: 22. 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: 600 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 FacilityOther: SEE OPERATOR

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	500	240	500	0
OPEN HOLE	8+3/4			500	6200			

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

33. Comments NO CONDUCTOR TO BE USED. THE HEART 22-15-48 #1-P (PILOT HOLE) AND #1-H (HORIZONTAL HOLE) ARE BEING PERMITTED FOR THIS LOCATION; ONLY ONE WELL BORE WILL BE ON LOCATION. THE 1-P PILOT WILL BE DRILLED TO APPROXIMATE TD OF 6200' AND LOGGED. WELL WILL THEN BE PLUGGED BACK AND THE 1-H HORIZONTAL DRILLED AS INDICATED ON THE PLAN. MUD DISPOSAL WILL BE ON SITE: MUD WILL BE PLACED IN CUTTINGS PIT AT END OF WELL ALLOWING LIQUID AND SOLIDS TO SEPARATE, FREE LIQUID WILL BE SENT TO COMMERCIAL DISPOSAL, SOLIDS AND CUTTINGS WILL BE STABILIZED IN THE PIT, CONTENTS OF PIT WILL BE SAMPLED AND ANALYZED TO ENSURE TABLE 910-1 COMPLIANCE PRIOR TO CLOSING PIT.

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.

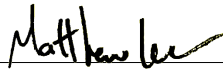
Signed: _____

Print Name: WILLIAM HEARDTitle: PROJECT DRILLING ENGINEERDate: 7/12/2013Email: 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: _____



Director of COGCC

Date: 9/3/2013

API NUMBER

05 017 07768 00

Permit Number: _____

Expiration Date: 9/2/2015**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) Plug back with 40 sks cement +/- 50' above the Spergen, 40 sks cement +/- 50' above any DST w/ show.

Attachment Check List

Att Doc Num	Name
400432969	FORM 2 SUBMITTED
400432982	30 DAY NOTICE LETTER
400432983	PLAT
400435141	TOPO MAP
400446698	H2S CONTINGENCY PLAN

Total Attach: 5 Files

General Comments

User Group	Comment	Comment Date
Permit	Final review completed; no LGD or public comment received.	8/29/2013 7:58:10 AM
Permit	This permit is the pilot of a pilot/lateral drilling plan. Approval of this permit must precede the approval of the lateral in order that API sidetrack designations be correct.	8/29/2013 7:52:12 AM
Permit	This form has passed completeness.	7/15/2013 11:34:20 AM

Total: 3 comment(s)

Best Management Practices

No	BMP/COA Type	Description