

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: BLACK DIAMOND MINERALS LLC 4. COGCC Operator Number: 10244

5. Address: 1600 STOUT ST STE 1710
 City: DENVER State: CO Zip: 80202

6. Contact Name: Mary Griggs Phone: (303)973-3228 Fax: (303)346-4893
 Email: mgriggs@bdminerals.com

7. Well Name: TPR Well Number: 1

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

9. Proposed Total Measured Depth: 16000

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 25 Twp: 7S Rng: 94W Meridian: 6
 Latitude: 39.404331 Longitude: -107.832586

Footage at Surface: 591 feet FSL 1877 feet FEL

11. Field Name: Mamm Creek Field Number: 52500

12. Ground Elevation: 9131 13. County: GARFIELD

14. GPS Data:
 Date of Measurement: 03/24/2008 PDOP Reading: 6.0 Instrument Operator's Name: Ben Johnson

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: 2523 ft

18. Distance to nearest property line: 2025 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1400 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.)
MANCOS	MNCS			
NIOBRARA	NBRR			
Williams Fork	WMFK	139-90		

21. Mineral Ownership: Fee State Federal Indian Lease #: n/a

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):

SEE ATTACHED SHEET

25. Distance to Nearest Mineral Lease Line: 792 ft 26. Total Acres in Lease: 1664

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
CONDUCTOR	24+0/0	20	32	0	140		140	0
SURF	14+3/4	9+5/8	36	0	1344	806	1344	0
1ST	8+3/4	7	29	0	11000	530	11000	6000
1ST LINER	6+1/8	4+1/2	13.5	10500	16000	600	16000	10500

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

33. Comments TPR Well Pad 25A has been constructed and no further surface disturbance will be necessary to drill, complete, and produce this well. Conductor and surface casing pipe has been set.No new Form 2A is submitted due to the following reasons:1. The pad has been built.2. The pit has been constructed.3. The refiled well will not require any expansion/additional surface disturbance of the pad.4. The location does not require a variance from any of the rules listed in Rule 306.d(1).(A).(ii); consultation with CDPHE is not required.5. The location is not in a wildlife restricted surface occupancy area (RSO); consultation with CDOW is not required.Slight modifications in well design have been made and the proposed TD has been deepened. A well design plan is attached. "New Casing String" - A 1.9" Parasite string will be tied into the surface casing at a depth of approximately 2,300'.Two additional formations have been added (Mancos & Niobrara) and a request to co-mingle. The operator owns all the mineral rights.

34. Location ID: 334457

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: Mary C. Griggs

Title: Reg/Environmental Date: 7/23/2013 Email: mgriggs@badminerals.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: 9/6/2013

API NUMBER Permit Number: _____ Expiration Date: 9/5/2015

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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.

<u>COA Type</u>	<u>Description</u>
	Passes Completeness.
	(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED. (2) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE GARFIELD COUNTY RULISON-FIELD NOTICE TO OPERATORS IS REQUIRED. (3) CEMENT ON PRODUCTION CASING MUST BE A MINIMUM OF 200' ABOVE THE TOP OF THE MESA-VERDE FORMATION (OR 200' ABOVE THE OHIO CREEK FORMATION IF PRESENT). CEMENT TOP VERIFICATION BY CBL IS REQUIRED.

Applicable Policies and Notices to Operators

Piceance Rulison Field - Notice to Operators.
NW Colorado Notification Policy.
Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400448603	FORM 2 SUBMITTED
400450492	LEASE MAP
400450495	DRILLING PLAN
400450496	PLAT

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
LGD	pass, gdb	8/12/2013 3:42:39 PM
Permit	Passes Permitting. Changed GPS to match Location Plat. Removed 10 acre unit for Williams Fork objective formation: Order 139-90 establishes 10 acre equivalent well density, but not units.	8/12/2013 12:17:18 PM
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 00 FEET DEEP.	3/8/2013 4:29:25 PM
Engineer	"New Casing String" - A 1.9" Parasite string will be tied into the surface casing at a depth of approximately 2,300'. OPR had this on Casing tab but JK removed it from there, but will note it here. 1.9" diam.	3/8/2013 4:23:18 PM
Permit	Returned to draft. Incorrect plugging bond number. Asked opr to check GPS coordinates. This plots in the next qtr-qtr	7/24/2013 1:54:07 PM

Total: 5 comment(s)

Best Management Practices

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