

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:

400433156

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 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)429-2225 Fax: (432)683-8250

Email: ROY.MERRILL@CHAMAOIL.COM

7. Well Name: HEART 22-15-48 Well Number: 1-H

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

9. Proposed Total Measured Depth: 9200

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 660 feet FEL

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  
1000 FNL 660 FEL 600 FSL 660 FEL  
Sec: 22 Twp: 15S Rng: 48W Sec: 22 Twp: 15S Rng: 48W

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): 5540 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 ☐ 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):

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
1ST	8+3/4	7	26	0	5700	400	5700	3400
OPEN HOLE	6+1/8		0	5700	9200			

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 WILL BE 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, CUTTINGS AND SOLIDS WILL BE STABILIZED IN PIT, PIT CONTENTS 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: 9/7/2013**API NUMBER**

05 017 07768 01

Permit Number: \_\_\_\_\_

Expiration Date: 9/6/2015**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.

<b>COA Type</b>	<b>Description</b>
	1) Provide 48 hour notice prior to spud via electronic Form 42. 2) If production casing is set provide cement coverage from TD to at least 200' above Spergen. Cement across Cheyenne/Dakota aquifers (minimum 2050' – 1350'). Verify with CBL. 3) If well is a dry hole set the following plugs: 40 sks cement +/- 50' above the Spergen, 40 sks cement +/- 50' above any DST w/ show, 40 sks cement at 2050' up, 40 sks cement at 1350' up, 50 sks cement from 50' below surface casing shoe up into surface casing, 10 sks cement in top of surface csg, cut 4 ft below GL, weld on plate, 5 sks cement each in rat hole and mouse hole.

### **Applicable Policies and Notices to Operators**

Notice Concerning Operating Requirements for Wildlife Protection.

### **Attachment Check List**

<b>Att Doc Num</b>	<b>Name</b>
400433156	FORM 2 SUBMITTED
400435169	PLAT
400435170	TOPO MAP
400435171	30 DAY NOTICE LETTER
400446708	H2S CONTINGENCY PLAN
400446711	DEVIATED DRILLING PLAN
400446713	DIRECTIONAL DATA

Total Attach: 7 Files

### **General Comments**

<b>User Group</b>	<b>Comment</b>	<b>Comment Date</b>
Permit	Final review completed; no LGD or public comment received.	8/29/2013 7:58:36 AM
Permit	This permit is the lateral of a pilot/lateral drilling plan and this permit should have a sidetrack designation in the API number. Approval of this permit must follow the approval of the pilot in order that the wellbores have the correct sidetrack designation.	8/29/2013 7:54:54 AM
Permit	This form has passed completeness.	7/15/2013 11:37:43 AM

Total: 3 comment(s)

### **Best Management Practices**

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