

APPLICATION FOR PERMIT TO:

1. **Drill,** Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COALBED OTHER PILOT
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@ME.COM
7. Well Name: NICOLARSEN 20-15-48 Well Number: 1-P
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 6200

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 20 Twp: 15S Rng: 48W Meridian: 6
Latitude: 38.733381 Longitude: -102.810962
Footage at Surface: 600 feet FNL/FSL FNL 660 feet FEL/FWL FWL
11. Field Name: WILDCAT Field Number: 99999
12. Ground Elevation: 4282 13. County: CHEYENNE

14. GPS Data:
Date of Measurement: 05/03/2013 PDOP Reading: 2.5 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): 8430 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.)
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
OPEN HOLE	8+3/4		0	500	6200			

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

33. Comments NO CONDUCTOR TO BE USED. NICOLARSEN 20-15-48 #1-P AND NICOLARSEN 20-15-48 #1-H WILL BE DRILLED FROM THE SAME WELL BORE. 1-P WILL BE A VERTICAL PILOT HOLE DRILLED TO APPROXIMATE DEPTH OF 6200'. WELL WILL BE PLUGGED BACK AND THE 1-H LATERAL WILL BE DRILLED AS NOTED ON THE PLAT. 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 AND CONTENTS SAMPLED AND ANALYZED TO ENSURE COMPLIANCE WITH TABLE 910-1 PRIOR TO CLOSING.

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: Matthew Lee Director of COGCC Date: 9/12/2013

API NUMBER

05 017 07769 00

Permit Number: _____ Expiration Date: 9/11/2015**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
	Operator will submit an H2S contingency plan to the COGCC as an attachment to a sundry. Plan must be submitted prior to spud.
	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.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400430093	FORM 2 SUBMITTED
400430451	30 DAY NOTICE LETTER
400430455	PLAT
400430463	TOPO MAP
400435437	H2S CONTINGENCY PLAN

Total Attach: 5 Files

General Comments

User Group	Comment	Comment Date
Permit	Corrected distance to nearest well from 9000' to 8430'. Final review completed; no LGD or public comment received.	9/11/2013 6:00:20 AM
Permit	This form has passed completeness.	7/15/2013 11:16:44 AM

Total: 2 comment(s)

Best Management Practices

No	BMP/COA Type	Description