

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



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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 ☐

Refilling ☐

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-H

8. Unit Name (if appl):

Unit Number:

9. Proposed Total Measured Depth: 9200

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 660 feet FEL/FWL
FNL 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
910 FNL 660 FWL 600 FSL 660 FWL
Sec: 20 Twp: 15S Rng: 48W Sec: 20 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): 6580 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	5500	400	5500	3200
OPEN HOLE	6+1/8		0	5500	9200			

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

33. Comments NO CONDUCTOR TO BE SET. NICOLARSEN 20-15-48 #1-P AND NICOLARSEN 20-15-48 #1-H WILL BE DRILLED FROM THE SAME WELL BORE. THE 1-P WILL BE A VERTICAL PILOT HOLE DRILLED TO APPROXIMATE TD 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 WILL BE SAMPLED AND ANALYZED TO ENSURE COMPLIANCE WITH TABLE 910-1 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: 9/12/2013

API NUMBER

05 017 07769 01

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
	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.
	Operator will submit an H2S contingency plan to the COGCC as an attachment to a sundry. Plan must be submitted prior to spud.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400430772	FORM 2 SUBMITTED
400430773	PLAT
400430774	TOPO MAP
400430777	30 DAY NOTICE LETTER
400433245	DEVIATED DRILLING PLAN
400433262	DIRECTIONAL DATA

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected distance to nearest well from 9000' to 6580'. Final review completed; no LGD or public comment received.	9/11/2013 6:03:35 AM
Permit	Removed attachments that had Surety info & copy of check. This form has passed completeness.	7/15/2013 11:14:49 AM

Total: 2 comment(s)

Best Management Practices

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