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SEP - 5 2013

COGCC

125-11264
077-08814

September 4, 2013

State of Colorado Oil & Gas Conservation Commission
1120 Lincoln St. Suite 801
Denver, CO 80203
Attn: Mr. Robert P. Koehler

Notice of Non-compliance Rule 319.b.1
Federal BW2B and State 36-03

Dear Mr. Robert P. Koehler:

The State 36-03 well is permitted as a pressure observation well and has pressure monitoring equipment installed which is downloaded daily; therefore, we do not feel that an MIT should be required. Pulling the well to run isolation tools to conduct the MIT would in fact disrupt the pressure data that we have been recording to evaluate drawdown in the Niobrara formation. I have attached correspondence with the COGCC stating that this well is an observation well. Please advise if we need to re-consider the MIT for this well.

We will move forward with conducting an MIT for the Federal BW2B well. We were hopeful to have the Badger Wash Gas Plant back in operation, which would allow us to return this well back to production, but due to economics the plant is still idle. The Federal BW2B makes 25% CO₂ and 25% N₂, therefore cannot be produced without the plant to remove these gases. We will move forward with temporarily abandoning the well until gas prices improve. Please note the attached proposed TA and MIT procedure.

Let me know if you have any concerns or questions regarding these two wells.

Regards,

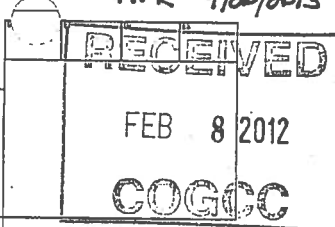
Duane Zimmerman
Vice President of Operations

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303)894-2100 Fax: (303)894-2109

SUNDRY NOTICE

Submit original plus one copy. This form is to be used for general, technical and environmental sundry information. For proposed or completed operations, describe in full on Technical Information Page (Page 2 of this form.) Identify well or other facility by API Number or by OGCC Facility ID. Operator shall send an informational copy of all sundry notices for wells located in High Density Areas to the Local Government Designee (Rule 603b.)



1. OGCC Operator Number: 10275A	4. Contact Name: Lori J. Davis	Complete the Attachment Checklist OP OGCC
2. Name of Operator: Augustus Energy Partners, LLC	Phone: 970-332-3585	
3. Address: P. O. Box 250	Fax: 970-332-3587	
City: Wray State: CO Zip: 80758		
5. API Number 05-125-11264	OGCC Facility ID Number	Survey Plat
6. Well/Facility Name: State	7. Well/Facility Number 36-03	Directional Survey
8. Location (Qtr/Qtr, Sec, Twp, Rng, Meridian): NENW/4, Sec 36 T1N-R 46W, 6th PM		Surface Equip Diagram
9. County: Yuma	10. Field Name: UnNamed	Technical Info Page
11. Federal, Indian or State Lease Number: 9470.7		Other

General Notice

☐ CHANGE OF LOCATION: Attach New Survey Plat (a change of surface qtr/qtr is substantive and requires a new permit)

Change of Surface Footage from Exterior Section Lines:	FNU/SL	FEL/FWL
Change of Surface Footage to Exterior Section Lines:		
Change of Bottomhole Footage from Exterior Section Lines:		
Change of Bottomhole Footage to Exterior Section Lines:		

Bottomhole location Qtr/Qtr, Sec, Twp, Rng, Mer

Latitude _____ Distance to nearest property line _____ Distance to nearest bldg, public rd, utility or RR _____

Longitude _____ Distance to nearest lease line _____ Is location in a High Density Area (rule 603b)? Yes/No _____

Ground Elevation _____ Distance to nearest well same formation _____ Surface owner consultation date: _____

GPS DATA: Date of Measurement _____ PDOP Reading _____ Instrument Operator's Name _____

☐ CHANGE SPACING UNIT: Formation _____ Formation Code _____ Spacing order number _____ Unit Acreage _____ Unit configuration _____

☐ Remove from surface bond
Signed surface use agreement attached

☐ CHANGE OF OPERATOR (prior to drilling): Effective Date: _____ Plugging Bond: ☐ Blanket ☐ Individual

☐ CHANGE WELL NAME: From: _____ To: _____ Effective Date: _____

☐ ABANDONED LOCATION: Was location ever built? ☐ Yes ☐ No
Is site ready for inspection? ☐ Yes ☐ No
Date Ready for Inspection: _____

☒ NOTICE OF CONTINUED SHUT IN STATUS
Date well shut in or temporarily abandoned: 01/19/12
Has Production Equipment been removed from site? ☒ Yes ☐ No
MIT required if shut in longer than two years. Date of last MIT: Unknown

☐ SPUD DATE: _____ ☐ REQUEST FOR CONFIDENTIAL STATUS (5 mos from date casing set)

☐ SUBSEQUENT REPORT OF STAGE, SQUEEZE OR REMEDIAL CEMENT WORK *submit cbl and cement job summaries

Method used	Cementing tool setting/perf depth	Cement volume	Cement top	Cement bottom	Date

☐ RECLAMATION: Attach technical page describing final reclamation procedures per Rule 1004.
Final reclamation will commence on approximately _____ ☐ Final reclamation is completed and site is ready for inspection.

Technical Engineering/Environmental Notice

☐ Notice of Intent Approximate Start Date: _____ ☐ Report of Work Done Date Work Completed: _____

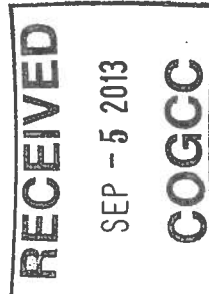
Details of work must be described in full on Technical Information Page (Page 2 must be submitted.)

<input type="checkbox"/> Intent to Recomplete (submit form 2)	<input type="checkbox"/> Request to Vent or Flare	<input type="checkbox"/> E&P Waste Disposal
<input type="checkbox"/> Change Drilling Plans	<input type="checkbox"/> Repair Well	<input type="checkbox"/> Beneficial Reuse of E&P Waste
<input type="checkbox"/> Gross Interval Changed?	<input type="checkbox"/> Rule 502 variance requested	<input type="checkbox"/> Status Update/Change of Remediation Plans for Spills and Releases
<input type="checkbox"/> Casing/Cementing Program Change	<input checked="" type="checkbox"/> Other: Perf Description	

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Signed: Lori J. Davis Date: 02/06/12 Email: ldavis@augustusenergy.com
Print Name: Lori J. Davis Title: Operations Accounting and Regulatory Specialist

COGCC Approved: David S. Neslin Title: RPK Date: 2/13/2012
CONDITIONS OF APPROVAL, IF ANY:



FORM
4
Rev 12/05

Page 2

TECHNICAL INFORMATION PAGE



FOR OGCC USE ONLY

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8 2012

COGCC

1. OGCC Operator Number: 10275A API Number: 05-125-11264
2. Name of Operator: Augustus Energy Partners, LLC OGCC Facility ID #
3. Well/Facility Name: State Well/Facility Number: 36-03
4. Location (QtrQtr, Sec, Twp, Rng, Meridian): NENW/4, Sec 36 T1N-R 46W, 6th PM

This form is to be completed whenever a Sundry Notice is submitted requiring detailed report of work to be performed or completed. This form shall be transmitted within 30 days of work completed as a "subsequent" report and must accompany Form 4, page 1.

5. DESCRIBE PROPOSED OR COMPLETED OPERATIONS

Per request via e-mail from Bob Koehler - "Loni, may I request that you submit a Sundry describing the perforations? I'm requesting a Sundry because a 5A is not required for OBW wells. I'd just like to have the information in our files."

Here is the perf information requested above (From Rosetta Resources Daily Activity Report):

02/10/09 - MIRU JW Wireline--PU 3 1/8" X 19' Csg. Gun W/CCL & RIH--Correlate To On Depth W/CBL VDL GR CCL
Log Dated 11/21/08--Shoot Perfs 2413-2432 W/1SPF(19 Gram Titan Charge--.42" Entry Hole--20.45"
Penetration--120 Degree Phasing--Spiral)--POOH & LD Csg. Gun(All Shots Fired)--PU 3 1/8" X 21' Csg. Gun
& RIH--Correlate To On Depth--Shoot Perfs 2380-2411--POOH & LD Csg. Gun CCL(All Shots Fired).

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Badger Wash Unit Federal #2B

NW/NW, Section 1, T9S-R104W

API #05-045-08814 077-08814

Mesa County, Colorado

August 13, 2013

GL=4,978 feet

KB= 4,989 feet

TD=3,180 feet

PBTD= 3,121 feet

Perforations= 3,066-3,086

Casing	Size	Wt	Grade	Depth
Surface	8-5/8	24	J-55	293
Production	5-1/2	15.5	J-55	3,164
Tubing	2-3/8	4.7	J-55	3,050

- 1) MIRU capillary service company and pull the capillary string.
- 2) MIRUSU. Pump 60 bbls of 2% KCL water down the casing to kill the well. Pump 12 bbls of 2% KCL water down the tubing. Nipple down the wellhead and strip on 3,000 psig BOPS dressed with 2-3/8" rams and blind rams.
- 3) POOH laying down the 2-3/8" tubing string.
- 4) MIRU Lone Wolf Wireline. RIH with 4.5" gauge ring to 3,060'. TIH and set a CIBP at approximately 3,020 feet. RD wireline truck.
- 5) Load the hole with 2% KCL water treated with corrosion inhibitor and pressure test the casing to 200 psig. Nipple down BOP and NU wellhead and schedule with the state inspector for the MIT or if he is not available complete the test with the necessary documentation.

OPERATOR: AUGUSTUS ENERGY PARTNERS, LLC
WELL: BADGER WASH FEDERAL #BW2B
FIELD: BAR-X (BADGER WASH)
API # 05-077-08814
LEASE #: COC-12377
UIC #: N/A

CNTY: MESA FTG: 238' FNL, 240' FWL
STATE: COLO Q-Q: NWNW
SPUD: 24-Oct-04 SEC.: 1
COMP: 23-Nov-04 TWS: 9S
STATUS: PGW RGE: 104W
WBD DATE: 17-Dec-05 BY: JTC

IP GAS: 2,195
IP OIL: 0
IP WTR: 0
CUM GAS: 862,991
CUM OIL: 0
CUM WTR: 0
LAST PROD: thru 12/10/05

CURRENT WELLBORE DIAGRAM

KBE: 4989 '
KB: 11 '
GLE: 4978 '

TD (ft): 3180 '
PBSD (ft): 3121 '

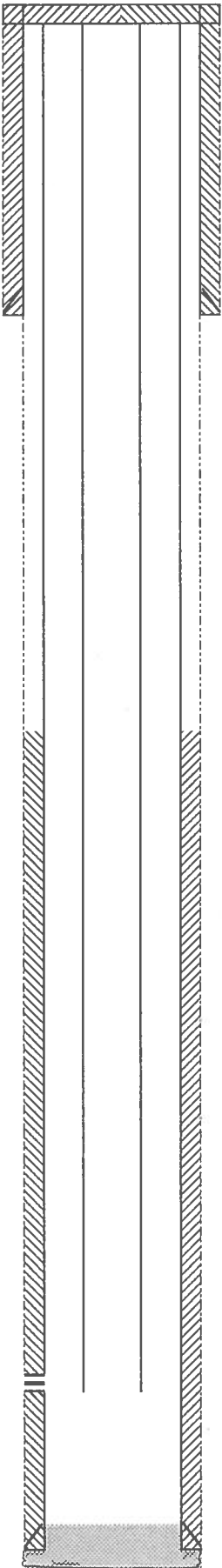
12 1/4" Hole
8 5/8", 24# Csg @ 293 '
w/ 175 sxs

Top Dakota @ 2295 '
Top Cedar Mtn @ 2422 '
Top Morrison @ 2555 '
Top Salt Wash @ N/A '
Top Entrada @ 3066 '

Original TOC @ 2275 '

Entrada 3066'-3086'
EOT @ 3083'

7 7/8" Hole
PBSD @ 3121 '
5 1/2", 15.5#, J-55 Csg @ 3163 '
Cmtd w/ 180 sxs
TD @ 3180 '



CASING RECORD

HOLE (in)	SIZE (in)	WT (lb/ft)	GRADE	TOP (ft)	BTM (ft)
12 1/4	8 5/8	24	J-55	0	293
7 7/8	5 1/2	15.5	J-55	0	3163

TUBING RECORD

SIZE (in)	WT (lb/ft)	GRADE	TOP (ft)	BTM (ft)	ITS
2 7/8	6.5	n/a	0	3083	95

ITEM	TYPE	SIZE (in)	TOP (ft)

PERFORATION RECORD

ZONE	TOP (ft)	BTM (ft)	SPF	DATE SHOT	STATUS
ENTRADA	3066	3086	4.0	11/19/04	OPEN

WELLWORK HISTORY

10-24-2004 DRILLING
Drill to TD @ 3180' and log. Run 5 1/2" casing to 3163' and cement w/ 180 sxs. Gas shows Dakota 2295'-2314'; Cedar Mtn 2422'-2440'; Morrison 2555'-2563'; Morrison 2830'-2846'.

11-17-2004 to 11-23-2004 INITIAL COMPLETION
Run CBL w/ TOC @ 2275'. Swab down to 1200' and perf 3066'-3086' w/ 4spf. RIH w/ 2-7/8" tbg and land EOT @ 3083'. Swab and kickoff flowing from Entrada perms. Flow test 4 days and test @ 2195 Mcf/d w/ FTP= 375 psig, SICP= 405 psig on 32/64" chk.

11-24-2004 WTR ANALYSIS - TDS= 66,258 ppm, SG= 1.047.

04-27-2005 BHP SURVEY - BHP= 517 psig @ 3000'. Tag TD @ 3114' WL. BHT= 126°F. No liquid in the hole.

12-14-2005 TUBING LEAK - Small hole developed in tubing above knock-on head and below master valve. Secure leak w/ clamp.

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