

FORM
2

Rev
08/13

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:

400571065

APPLICATION FOR PERMIT TO:

☐ Drill ☐ Deepen ☐ Re-enter ☒ Recomplete and Operate

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Date Received:

03/14/2014

Well Name: CLAR

Well Number: A-5

Name of Operator: BLACK RAVEN ENERGY INC

COGCC Operator Number: 10203

Address: 1331 17TH STREET - #350

City: DENVER

State: CO

Zip: 80202

Contact Name: DAVID KUNOVIC

Phone: (303)308-1330

Fax: (303)308-1590

Email: dkunovic@enerjexresources.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20060159

WELL LOCATION INFORMATION

QtrQtr: NENE Sec: 13 Twp: 1N Rng: 58W Meridian: 6

Latitude: 40.055941

Longitude: -103.812435

Footage at Surface: 990 feet FNL/FSL FNL 330 feet FEL/FWL FEL

Field Name: ADENA

Field Number: 700

Ground Elevation: 4527

County: MORGAN

GPS Data:

Date of Measurement: 09/30/2011 PDOP Reading: 2.8 Instrument Operator's Name: THERESA MCCOLLUM

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:

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian

The Surface Owner is: ☒ is the mineral owner beneath the location.

(check all that apply) ☒ is committed to an Oil and Gas Lease.

☒ has signed the Oil and Gas Lease.

☐ is the applicant.

The Mineral Owner beneath this Oil and Gas Location is: ☒ Fee ☐ State ☐ Federal ☐ Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: Yes

The right to construct the Oil and Gas Location is granted by: oil and gas lease

Surface damage assurance if no agreement is in place:

Surface Surety ID:

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

T1N - R58W, SECTION 13, NE/4 AND N/2SE/4

Total Acres in Described Lease: 240 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease #

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 330 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 330 Feet

Above Ground Utility: 85 Feet

Railroad: 5280 Feet

Property Line: 330 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: ☐ Buffer Zone ☐ Exception Zone ☐ Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: _____

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 1264 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 5007 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): J SAND UNIT Unit Number: _____

SPACING & FORMATIONS COMMENTS

This well is currently a shut-in (SI) J-Sand producer in the Adena J Sand Unit. Black Raven plans to reactivate the J sand from the current perforations. If the J Sand is not productive, then the well will be recompleted in the D sand.

OBJECTIVE FORMATIONS

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| D SAND | DSND | 26-1 | 40 | NENE |
| J SAND | JSND | 26-1 | | see unit order |

DRILLING PROGRAM

Proposed Total Measured Depth: 5670 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1264 Feet (Including plugged wells)

Will a closed-loop drilling system be used? No

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than

or equal to 100 ppm? No (If Yes, attach an H2S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? No

BOP Equipment Type: ☐ Annular Preventor ☐ Double Ram ☐ Rotating Head ☒ None

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule N/A

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: _____ Drilling Fluids Disposal Methods: _____

Cuttings Disposal: _____ Cuttings Disposal Method: _____

Other Disposal Description:

This is a recompletion, There will be no drilling waste (no drilling).

Beneficial reuse or land application plan submitted? _____

Reuse Facility ID: _____ or Document Number: _____

CASING PROGRAM

| 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 | 8+5/8 | 24 | 0 | 103 | 75 | 103 | 0 |
| 1ST | 7+7/8 | 5+1/2 | 14 & 15.5 | 0 | 5664 | 225 | 5664 | 4000 |

☒ Conductor Casing is NOT planned

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- ☐ Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- ☐ Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- ☐ Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- ☐ Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 318A.a. Exception Location (GWA Windows).
- ☐ Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

☐ Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number _____

OTHER LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 318.c. Exception Location from Rule or Spacing Order Number _____
- ☐ Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments

The location footage numbers are correct from the nearest section line and the location has been re-surveyed (NAD83). Nearest above ground utility is 85 ft. from site. This utility line is owned by Black Raven - it was used to power the submersible pump when the well was producing. This power line will be deactivated when the work is being done. Nearest property line is 330 ft from site. The well is currently a shut-in J Sand producer which we plan to reactivate. If the J Sand reactivation is not successful, then the well will be recompleted in the D Sand. Plan to set a CIBP above the current J Sand perms and recomplete in the D sand. A Form 2A is not required for this recompletion because no pit will be constructed and there will be no surface disturbance beyond the originally disturbed area. No conductor casing was set when the well was drilled; the casing consists of a surface string and a production string. A form 4 has been submitted for the D Sand recompletion.

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 313712

Is this application being submitted with an Oil and Gas Location Assessment application? No

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

Signed: _____ Print Name: DAVID KUNOVIC

Title: VP Exploration Date: 3/14/2014 Email: dkunovic@enerjexresources.co

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: _____

Expiration Date: _____

API NUMBER

05 087 05323 00

Conditions Of Approval

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

| | |
|--|--|
| | |
|--|--|

Best Management Practices

No BMP/COA Type

Description

| | |
|--|--|
| | |
|--|--|

Attachment Check List

Att Doc Num

Name

| | |
|-----------|------------------|
| 400571065 | FORM 2 SUBMITTED |
| 400571483 | WELLBORE DIAGRAM |
| 400571595 | WELLBORE DIAGRAM |
| 400574721 | OTHER |

Total Attach: 4 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|---|--------------------------|
| Permit | Returned to draft: 1) Plugging bond incorrect. 2) Is committed to O&G lease isn't checked. 3) 85' from Above Ground Utility is within Rule 603 setback. 4) Need recompletion procedure attachment. 5) Need updated Well Location Plat with Latitude/Longitude & GPS. | 3/19/2014 11:20:45 AM |
| Permit | Returned to draft: 1) GR elevation incorrect? 2) SHL footages incorrect? 3) SO committed to lease? 4) Need recompletion procedure attachment. | 3/17/2014 9:27:19 AM |

Total: 2 comment(s)