

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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| DE | ET | OE | ES |
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Document Number:

1787008

Plugging Bond Surety

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER _____
 SINGLE ZONE ☐ MULTIPLE ZONE ☒ COMMINGLE ZONE ☐

Refiling ☒Sidetrack ☐

3. Name of Operator: BLUE CHIP OIL INC

4. COGCC Operator Number: 8840

5. Address: 155 E BOARDWALK DR STE 400

City: FORT COLLINS State: CO Zip: 80525

6. Contact Name: TIM HAGER Phone: (970)493-6456 Fax: (970)232-3051

Email: CJOHNSON@PETRO-FS.COM

7. Well Name: STONEHOCKER Well Number: 21-8H

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

9. Proposed Total Measured Depth: 8910

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 8 Twp: 1S Rng: 67W Meridian: 6

Latitude: 39.981920 Longitude: -104.913460

Footage at Surface: 1619 FNL/FSL FNL 2401 FEL/FWL FWL

11. Field Name: SPINDLE Field Number: 77900

12. Ground Elevation: 5198 13. County: ADAMS

14. GPS Data:

Date of Measurement: 07/08/2008 PDOP Reading: 6.0 Instrument Operator's Name: RICHARD GABRIEL ALPINE CONSULTING

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
 534 FNL 2093 FWL 534 FNL 2093
 Sec: 8 Twp: 1S Rng: 67W Sec: 8 Twp: 1S Rng: 67W

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: 238

18. Distance to nearest property line: 225 19. Distance to nearest well permitted/completed in the same formation: 980

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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| DAKOTA | DKTA | 499-15 | 320 | N2 |
| J SAND | JSND | 232-23 | 320 | N2 |
| NIOBRARA CODEL | NB-CD | 407-87 | 80 | W2/NW4 |

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 Bon ☐ \$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):
T1S R67W - SEC 8: NW/4

25. Distance to Nearest Mineral Lease Line: 534 26. Total Acres in Lease: 160

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? ☐ Yes ☒ No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? ☐ Yes ☒ No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? ☐ Yes ☒ No

30. If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? ☐ Yes ☐ No If 28, 29, or 30 are "Yes" a pit permit may be required.

31. Mud disposal: ☒ Offsite ☐ Onsite

Method: ☐ Land Farming ☒ Land Spreading ☐ Disposal Facility Other: _____

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 | Weight Per Foot | Setting Depth | Sacks Cement | Cement Bottom | Cement Top |
|-------------|--------------|----------------|-----------------|---------------|--------------|---------------|------------|
| SURF | 12+1/4 | 8+5/8 | 24 | 1,150 | 530 | 1,120 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 8,910 | 730 | 8,910 | 4,750 |

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

33. Comments CONDUCTOR CASING WILL NOT BE USED IN CONSTRUCTION OF THIS WELLBORE. DISTANCE TO NEAREST ROAD HAS BEEN UPDATED PER 2A EXHIBITS. ALL OTHER CONDITIONS ARE THE SAME.

34. Location ID: 335918

35. Is this application in a Comprehensive Drilling Plan ? ☐ Yes ☐ No

36. 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: CHERYL JOHNSON

Title: REGULATORY Date: _____ Email: CJOHNSON@PETRO-FS.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: _____

API NUMBER
05 001 09677 00

Permit Number: _____ Expiration Date: _____

CONDITIONS OF APPROVAL, IF ANY: _____

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------------|--------------------|
| 1787008 | APD ORIGINAL | LF@2170649 1787008 |
| 1787026 | WELL LOCATION PLAT | LF@2170650 1787026 |
| 1787027 | ACCESS ROAD MAP | LF@2170651 1787027 |
| 1787028 | 30 DAY NOTICE LETTER | LF@2170652 1787028 |
| 1787029 | DEVIATED DRILLING PLAN | LF@2170653 1787029 |

Total Attach: 5 Files