

APPLICATION FOR PERMIT TO:

Drill
 Deepen
 Re-enter
 Recomplete and Operate

Date Received:
 11/05/2013

TYPE OF WELL OIL GAS COALBED OTHER _____
 ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refilling
 Sidetrack

Well Name: TAYLOR Well Number: 3
 Name of Operator: ATOM PETROLEUM LLC COGCC Operator Number: 10434
 Address: 3323 N MIDLAND DR #113
 City: MIDLAND State: TX Zip: 79707
 Contact Name: TOM STOVER Phone: (303)883-6293 Fax: (303)858-8499
 Email: TSTOVER08707@COMCAST.NET

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20120090

WELL LOCATION INFORMATION

QtrQtr: NENE Sec: 3 Twp: 33N Rng: 12W Meridian: N
 Latitude: 37.138516 Longitude: -108.130516
 Footage at Surface: 660 feet FNL/FSL FNL 660 feet FEL/FWL FEL
 Field Name: ALKALI GULCH Field Number: 2000
 Ground Elevation: 6867 County: LA PLATA
 GPS Data:
 Date of Measurement: 01/01/2001 PDOP Reading: 6.0 Instrument Operator's Name: NONE
 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: Surface Use Agreement
 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.)

NENE SEC 3, T33N, R12W

Total Acres in Described Lease: 40 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: 660 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1055 Feet

Building Unit: 1055 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 660 Feet

Above Ground Utility: 1055 Feet

Railroad: 5280 Feet

Property Line: 660 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: 4170 Feet

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

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

SPACING & FORMATIONS COMMENTS

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
DAKOTA	DKTA			
GALLUP	GLLP			
MESAVERDE	MVRD			

DRILLING PROGRAM

Proposed Total Measured Depth: 3301 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1687 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

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 609

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: _____ Drilling Fluids Disposal Methods: _____

Cuttings Disposal: _____ Cuttings Disposal Method: _____

Other Disposal Description:

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	9+5/8	40	0	220	45	220	0
1ST	8+3/4	7	23	0	1293	0		0
2ND	6+1/4	4+1/2	10.5	0	3234	40	3234	2950

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

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

Location ID: 325653

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: TOM STOVER

Title: MGR OIL & GAS PROPERTY Date: 11/5/2013 Email: TSTOVER0807@COMCAST.N

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: 11/28/2013

Expiration Date: 11/27/2015

API NUMBER
05 067 06777 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

	<p>1) Provide daily reports to M. Weems-COGCC Regional Engineer either verbally or in writing</p> <p>2) Pressure test the 4 1/2" production casing to at least 300 psig for 15 minutes with the following conditions:</p> <p style="margin-left: 20px;">a) Set a BP within 50' of the T/cmt b) 10% loss or less is acceptable for passing c) Pkr and RBP are required to locate any discovered casing leaks</p> <p>3) Repair, remove or replace 4 1/2" OD casing if the pressure test stated above fails</p> <p>4) Provide a minimum of 200' of cement above any and all pay zones to be completed</p> <p>5) CBL to verify top of cement is required for all pay zones</p> <p>6) To perforate and complete the MV formation through the 7" OD intermediate casing will require the following:</p> <p style="margin-left: 20px;">a) That portion of the 4 1/2" OD production covering the MV pay casing must be pulled b) The 7" OD intermediate casing must be cemented to 200' above the pay zone c) Cement behind the 7" OD casing must be sufficient enough to eliminate any and all Braden head pressures d) Perform a Braden head pressure test and submit results via COGCC form 17 e) A CBL is required for verification of the top of cement on the 7" OD intermediate casing</p> <p>7) With the satisfactory completion of COA #6, the operator may re-run and/or extend the 4 1/2" OD production casing</p>
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Best Management Practices

No BMP/COA Type

Description

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Attachment Check List

Att Doc Num

Name

1536339	FORM 2 SUBMITTED
1536340	SURFACE AGRMT/SURETY
1536341	OPERATIONS SUMMARY
1536342	WELLBORE DIAGRAM

Total Attach: 4 Files

General Comments

User Group

Comment

Comment Date

Permit	Final review completed; no LGD or public comment received.	11/27/2013 10:17:56 AM
Permit	GPS will be submitted when cement work outlined in sundry #216790 is completed. per operator 11/27/2013.	11/6/2013 6:04:24 AM

Total: 2 comment(s)