

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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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 ☐

Document Number:

400119306

Plugging Bond Surety

20110018

3. Name of Operator: RANCHERS EXPLORATION PARTNERS LLC

4. COGCC Operator Number: 10350

5. Address: 7257 W 4TH STREET #3

City: GREELEY State: CO Zip: 80634

6. Contact Name: Mike Ward Phone: (970)356-5500 Fax: (970)356-5996
Email: mike@ranchers.co

7. Well Name: Ranchers Well Number: 3

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

9. Proposed Total Measured Depth: 8044

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 30 Twp: 7N Rng: 65W Meridian: 6

Latitude: 40.539700 Longitude: -104.713870

Footage at Surface: 203 feet FNL/FSL 549 feet FEL/FWL FWL

11. Field Name: Eaton Field Number: 19350

12. Ground Elevation: 4832 13. County: WELD

14. GPS Data:

Date of Measurement: 12/27/2010 PDOP Reading: 1.3 Instrument Operator's Name: Dave Berglund

15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 203 FSL 549 FEL/FWL FWL Bottom Hole: FNL/FSL 1318 FSL 1341 FEL/FWL FWL
Sec: 30 Twp: 7N Rng: 65W Sec: 30 Twp: 7N Rng: 65W

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: 172 ft

18. Distance to nearest property line: 173 ft 19. Distance to nearest well permitted/completed in the same formation: 1890 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.)
Codell	CODL		160	SW/4
D Sand	DSND		160	SW/4
J Sand	JSND		160	SW/4
Niobrara	NBRR		160	SW/4

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):
See attached lease

25. Distance to Nearest Mineral Lease Line: 1318 ft 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	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+5/8	8+5/8	24		500	270	500	0
1ST	7+7/8	4+1/2	11.6		8,044	272	8,044	6,983

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

33. Comments No conductor casing will be used.

34. Location ID: _____

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: Dan Hull

Title: Senior Project Manager Date: 1/11/2011 Email: dan.hull@lra-inc.com

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: David S. Neslin Director of COGCC Date: 2/4/2011

API NUMBER

05 123 32924 00

Permit Number: _____ Expiration Date: 2/3/2013

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.

- 1) Provide 24 hour notice of MIRU to Ed Binkley at 970-506-9834 or e-mail at ed.binkley@state.co.us
- 2) Set at least 500' of surface casing, cement to surface.
- 3) Provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 4) Run and submit Directional Survey from TD to base of surface casing. Ensure wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Derrick height (ground to crown) cannot exceed 115 feet due to close proximity to power line unless a variance is requested and approved by the director.

Attachment Check List

Att Doc Num	Name
2530126	WAIVERS
2530145	VARIANCE REQUEST
400119306	FORM 2 SUBMITTED
400121471	WELL LOCATION PLAT
400122588	DEVIATED DRILLING PLAN

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	bonding in compliance	2/4/2011 10:12:39 AM
Permit	Operator is requesting a variance to rule 603a1	2/1/2011 4:23:09 PM

Total: 2 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)