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	STATE OF COLORADO OIL & GAS	DE	ET	OE	ES

APPLICATION FOR PERMIT TO:

Document Number:

400122589

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

Plugging Bond Surety

19980020

2. TYPE OF WELL

OIL ☒   GAS ☐   COALBED ☐   OTHER   PILOT HOLE

SINGLE ZONE ☒   MULTIPLE ZONE ☐   COMMINGLE ZONE ☐

Refiling ☐   Sidetrack ☐

3. Name of Operator: CHESAPEAKE OPERATING INC   4. COGCC Operator Number: 16660

5. Address: P O BOX 18496

City: OKLAHOMA CITY   State: OK   Zip: 73154-0496

6. Contact Name: Venessa Langmacher   Phone: (303)8579999   Fax: (303)4509200

Email: vllpermitco@aol.com

7. Well Name: Girard   Well Number: 2-63 11-1H

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

9. Proposed Total Measured Depth: 7150

WELL LOCATION INFORMATION

10. QtrQtr: SW SE   Sec: 11   Twp: 2N   Rng: 63W   Meridian: 6

Latitude: 40.147271   Longitude: -104.402382

Footage at Surface: 600   feet   FSL   (FNL/FSL)   1980   feet   FEL   (FEL/FWL)

11. Field Name: Wildcat   Field Number: 99999

12. Ground Elevation: 4735   13. County: WELD

14. GPS Data:

Date of Measurement: 12/14/2010   PDOP Reading: 1.7   Instrument Operator's Name: Paul Orme

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

Sec: ____   Twp: ____   Rng: ____   Sec: ____   Twp: ____   Rng: ____

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: 5121 ft

18. Distance to nearest property line: 600 ft   19. Distance to nearest well permitted/completed in the same formation: 5280 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.)
Niobrara	NBRR			

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#: 20000041

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):

T2N - R63W Section 11: All

25. Distance to Nearest Mineral Lease Line: ___600 ft___   26. Total Acres in Lease: ___640___

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 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☐ No

31. Mud disposal: ☐ Offsite ☒ Onsite

If 28, 29, or 30 are "Yes" a pit permit may be required.

Method: ☐ Land Farming ☐ Land Spreading ☐ Disposal Facility Other: Evaporation and Burial

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
CONDUCTOR	24	16		0	80		80	0
SURF	12+1/4	9+5/8	40	0	800	240	800	0
1ST	8+3/4	7	26	0	6,691	565	6,691	0

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

33. Comments   This application is for a pilot hole for informational purposes only.

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: Venessa Langmacher

Title: Regulatory Supervisor   Date: 1/11/2011   Email: vllpermitco@aol.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: 2/14/2011

API NUMBER
05 123 32961 00

Permit Number: _____   Expiration Date: 2/13/2013

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 hr notice of MIRU to Bo Brown at 970-330-6085 or email at bo.brown@state.co.us.
2) Set surface casing per Rule 317d, cement to surface. Setting surface casing less than the approved depth is a permit violation unless prior written approval is obtained from the COGCC.
3) If completed, provide cement coverage from the intermediate casing shoe to a minimum of 200' above Niobrara. Verify cement with a cement bond log.
4) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.
5) If dry hole, 40 sks cement 50' above Niobrara top, tag 50 sks cement ½ out, ½ in surface casing, 10 sks cement top of surface casing, cut 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole. Restore location.

Attachment Check List

Att Doc Num	Name
1726358	SURFACE CASING CHECK
400122589	FORM 2 SUBMITTED
400122594	PLAT

Total Attach: 3 Files

General Comments

User Group	Comment	Comment Date
Permit	On hold waiting oncomment period to expire	1/21/2011 3:07:07 PM
Permit	Lateral passed completeness 1/13/11	1/13/2011 9:45:55 AM
Permit	On hold waiting on lateral permit to be filed	1/12/2011 4:23:48 PM

Total: 3 comment(s)

BMP

Type	Comment

Total: 0 comment(s)