

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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):
N/2 of Section 22, Township 5 North, Range 66 West, 6th PM, County of Weld, State of Colorado.

25. Distance to Nearest Mineral Lease Line: 665 ft 26. Total Acres in Lease: 320

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: _____

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	0	560	300	560	0
1ST	7+7/8	4+1/2	11.6	0	8,402	280	8,402	7,280

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

33. Comments No conductor casing will be set.

34. Location ID: 423341

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: 6/17/2011 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: 7/15/2011

API NUMBER
05 123 33975 00 Permit Number: _____ Expiration Date: 7/14/2013

CONDITIONS OF APPROVAL, IF ANY: _____

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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. Note surface casing setting depth change from 500' to 560'. Increase cement coverage accordingly and cement to surface. Provide 24 hour notice of MIRU to Bo Brown at e-mail bo.brown@state.co.us
2. Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Shannon to 200' above Shannon. Verify coverage with 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.
3. At least two weeks prior to spud notice, the centralizer and cementing plans shall be submitted to the COGCC for review on a Form 4, Sundry Notice.
4. At least one well on the pad must have a complete set of open hole logs (Compensated Neutron, Dual Induction, Resistivity etc.) run from TD to surface and submitted to the COGCC.
5. Four hours prior to running any casing, notification shall be provided to Bo Brown, COGCC Field Inspector at 970-397-4124.
6. Bradenhead pressures shall be taken 6, 12, 24 and 48 hrs after cementing production casing and prior to stimulation of the well. Once stimulation is complete, the bradenhead pressure shall be recorded at 24 hrs, 48 hrs and at one week post-stimulation. Bradenhead pressures greater than 100 psi must be immediately reported on a Form 17 to the COGCC, sent to the attention of Diana Burn.
7. All bradenhead pressures shall be monitored with a gauge that has a maximum reading of one thousand pounds per square inch (psi).
8. Circulation prior to cementing shall be done to accepted industry standards.

Attachment Check List

Att Doc Num	Name
1694164	EXCEPTION LOC REQUEST
400165431	FORM 2 SUBMITTED
400173851	WELL LOCATION PLAT
400173852	OIL & GAS LEASE
400173853	OIL & GAS LEASE
400173872	DEVIATED DRILLING PLAN
400173927	SURFACE AGRMT/SURETY

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Received a corrected spacing order for the J Sand. Changed to - 232-23 spacing order, 320 Unit Acre, and N/2 Unit config.	6/29/2011 10:17:38 AM
Permit	Requesting a corrected spacing order for the J Sand.	6/28/2011 11:07:08 AM
Permit	Received Exception Location Request letter.	6/28/2011 9:32:14 AM
Permit	Requesting a Exception Location letter.	6/27/2011 2:25:23 PM
Permit	The reference point is a rebar permanently set 300' north of the surface location of the first well on this pad.	6/27/2011 1:58:36 PM

Total: 5 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	Closed loop system will be used for drilling fluids.

Total: 1 comment(s)