

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):

T7N R60W 6th P.M. Section 20: W/2

25. Distance to Nearest Mineral Lease Line: 400 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: Landfarm Burial/Evaporation

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+1/4	9+5/8	36	0	1,400	534	1,400	0
OPEN HOLE	8+3/4			1400	6,987	796	6,987	5,589

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

33. Comments This is a Pilot Hole for informational purposes only and will be plugged back at 6987' TD with 796 sacks of cement. Top of cement will be 5589'. No conductor casing will be set.

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: Tina Taylor

Title: Regulatory Compliance Date: 8/22/2011 Email: tina.taylor@crzo.net

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. Nashine Director of COGCC Date: 9/21/2011

API NUMBER
05 123 34387 00

Permit Number: _____ Expiration Date: 9/20/2013

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 Colby Horton at 970-467-2517 or e-mail at colby.horton@state.co.us.
- 2) Plug back pilot hole as proposed on line 33 comments, or at a minimum: In addition to kick off plug set 60 sks cement from 50' below D-Sand base to 100' above D-Sand top and set 40 sks cement 50' above Niobrara top.

Attachment Check List

Att Doc Num	Name
400198429	FORM 2 SUBMITTED
400198469	WELL LOCATION PLAT
400198470	DEVIATED DRILLING PLAN

Total Attach: 3 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	This is a pilot/lateral drilling plan. The permits will be on hold pending the completion of the 20 day public comment period at which time they will be approved together to maintain proper API number designations.	8/23/2011 12:23:16 PM

Total: 1 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Material Handling and Spill Prevention	Operator will ensure 110 percent secondary containment for any volume of fluids contained at the well site during drilling and completion. Operator will implement best management practices to contain any unintentional release of fluids.
Storm Water/Erosion Control	Operator has designed the well pad with insloping and a storm water control ditch to prevent storm water run-on/runoff and the release of fluids from the location. See attached Construction Layout Drawing.
Site Specific	Fresh water for the Fresh Water Storage Pit comes from water provider; water sources permitted for consumable industrial use.
Material Handling and Spill Prevention	Operator shall not allow any fluids to flow back to the Fresh Water Storage Pit/Pond.
Site Specific	Fresh Water Storage Pit shall contain fresh water only and signage prohibiting the use of the pit for any fluid that does not come from municipal, irrigation or surface water source.
Construction	The location will be fenced and the fenced area will include the Fresh Water Storage Pit.
Pre-Construction	The COGCC to be notified 48 hours prior to construction of the Fresh Water Storage Pit.
Planning	A Form 15 Pit Report will be submitted within 30 days of construction of the fresh water storage pit.

Total: 8 comment(s)