

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

2237549

Date Received:

08/27/2012

PluggingBond SuretyID

20120086

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☒ GAS ☐ COALBED ☐ OTHER _____
 SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐

Refiling ☐Sidetrack ☐

3. Name of Operator: AUBURN OPERATING COMPANY LLC

4. COGCC Operator Number: 10385

5. Address: PO BOX 50203

City: MIDLAND State: TX Zip: 79710

6. Contact Name: WILLIAM HEARD Phone: (432)683-8000 Fax: (432)683-8250

Email: BHEARD@SIERRA-ENGINEERING.NET

7. Well Name: BROWN 28-24-49 Well Number: 1

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

9. Proposed Total Measured Depth: 6400

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 28 Twp: 24S Rng: 49W Meridian: 6

Latitude: 37.937900 Longitude: -102.907700

Footage at Surface: 660 feet FNL/FSL 660 feet FEL/FWL
 FNL FEL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 3921 13. County: BENT

14. GPS Data:

Date of Measurement: 08/15/2012 PDOP Reading: 3.1 Instrument Operator's Name: R. GABRIEL

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: 660 ft

18. Distance to nearest property line: 660 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2 mi

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.)
MORROWKEYES	MR-KY			
SPERGEN	SPGN			
ST. LOUIS	STLS			

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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):

SECTION 28 (ALL), T24S, R49W

25. Distance to Nearest Mineral Lease Line: 660 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: _____

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	500	250	500	0

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

33. Comments THE BROWN 28-24-49 #1 WILL BE DRILLED TO TD/TVD OF 6400' WITH CORES TAKEN AND LOGS RUN. WELL WILL THEN BE PLUGGED BACK TO SURFACE CASING SHOE (TEMPORARILY ABANDONED). CORES AND LOGS WILL BE EVALUATED FOR POSSIBLE FUTURE HORIZONTAL WELL.

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: WILLIAM HEARD

Title: DRILLING ENGINEER Date: 8/24/2012 Email: BHEARD@SIERRA-

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: 9/21/2012

API NUMBER

05 011 06200 00

Permit Number: _____ Expiration Date: 9/20/2014

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 Craig Quint at 719-767-8939 or e-mail at craig.quint@state.co.us
- 2) For plug back of pilot hole set plugs at the following depths: 40 sks cement +/-50' above the Atoka, 40 sks cement +/-50' above any DST w/ hydrocarbon show, 40 sks cement from 50' below surface casing shoe up into surface casing, 5 sks cement in rat hole and mouse hole.

Attachment Check List

Att Doc Num	Name
2237549	FORM 2 SUBMITTED
2237550	WELL LOCATION PLAT
2237551	30 DAY NOTICE LETTER
2237552	TOPO MAP

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete; LGD comment recieved and reviewed.	9/19/2012 9:43:23 AM
Permit	Discussed location with the LGD; the operator and LGD have met to discuss access roads and general operations. The operator's proposed Access Road and oil and gas location as shown on the attached maps will not encroach the intermittent stream bed identified to be 200 feet north of the location. The operator will post permanent signage in accordance with COGCC Rule 210.b. (2), which satisfies the LGD request.	9/19/2012 9:27:58 AM
LGD	The intermittent stream bed that is running along the North side of S28, T24S, R49W, is considered a Zone B Special Flood Hazard Area. We would like the entry to the drill site posted at the main county road that is being branched off of; with the name of the site, name of the operator and emergency contact information; visible from 100 feet. Much success on this venture may it be productive	9/6/2012 9:26:43 AM
Permit	Changed distance to public road. Our database shows the road to the North as a public road.	8/30/2012 8:09:45 AM
Permit	Corrected bond id#'s per operator.	8/29/2012 10:03:10 AM

Total: 5 comment(s)

BMP

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

Total: 0 comment(s)