

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:

400351428

Date Received:

11/30/2012

PluggingBond SuretyID

20100094

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: SAGA PETROLEUM LIMITED LIABILITY CO OF CO 4. COGCC Operator Number: 101101

5. Address: 600 17TH ST STE 1700N
City: DENVER State: CO Zip: 80202

6. Contact Name: Kimberly Rodell Phone: (303)820-4480 Fax: (303)820-4124
Email: kim@banko1.com

7. Well Name: Jones Dupree Well Number: 32-26A

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

9. Proposed Total Measured Depth: 4180

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 26 Twp: 3S Rng: 51W Meridian: 6

Latitude: 39.765130 Longitude: -103.053350

Footage at Surface: 2490 feet FNL/FSL FNL 1591 feet FEL/FWL FEL

11. Field Name: Rush Willadel Field Number: 76000

12. Ground Elevation: 4614 13. County: WASHINGTON

14. GPS Data:

Date of Measurement: 11/06/2012 PDOP Reading: 1.2 Instrument Operator's Name: T. Daley

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: 742 ft

18. Distance to nearest property line: 228 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 636 ft

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.)
J-Sand	JSND	526-2	720	ALL

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):

Sec. 26 T3S R51E N1/2

25. Distance to Nearest Mineral Lease Line: 255 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
CONDUCTOR	20	16		0	30		30	0
SURF	12+1/4	9+5/8	36	0	250	125	250	0
2ND	8+3/4	7	20	0	4,180	150	4,180	2,750

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

33. Comments _____

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: Kimberly Rodell

Title: Permit Agent Date: 11/30/2012 Email: kim@banko1.com

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: 1/9/2013

API NUMBER

05 121 11020 00

Permit Number: _____ Expiration Date: 1/8/2015

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 48 hr notice prior to spud via electronic Form 42.
- 2) Set at least 500' of surface casing. Cement to surface. Increased surface casing due to WW depths.
- 3) If completed, provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 4) If dry hole, set 40 sks cement at top of J-Sand, set 40 sks cement at top of D-Sand, set 40 sks cement at top of Niobrara, 50 sks cement ½ out, ½ in surface casing, 15 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.

Attachment Check List

Att Doc Num	Name
2544877	SURFACE CASING CHECK
400351428	FORM 2 SUBMITTED
400352595	WELL LOCATION PLAT
400352601	ACCESS ROAD MAP
400352676	DRILLING PLAN

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed.	1/7/2013 1:12:44 PM
Permit	The distance to the nearest property line on the form 2A says 288' but the form 2 says 228' the 228' appears to be more accurate. Requested verification.	12/17/2012 8:25:57 AM
Permit	Within an "enhanced recovery" unit, Rule 526-2.	12/10/2012 9:09:20 AM
Permit	Changed distance to nearest lease line to 255' as per operator.	12/5/2012 10:40:26 AM
Permit	Request clarification of distance (150') to nearest lease line compared to the lease description given appears to be closer to 260'. Says N/2 of section for lease description.	12/5/2012 8:22:56 AM
Permit	Changed Range from 51E to 51W.	12/4/2012 10:10:58 AM

Total: 6 comment(s)

BMP

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

Total: 0 comment(s)