

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



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APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL GAS COALBED OTHER _____
SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONE

Refiling
Sidetrack

Document Number:
400001385
Plugging Bond Surety
19970026

3. Name of Operator: MERIT ENERGY COMPANY 4. COGCC Operator Number: 56565

5. Address: 13727 NOEL ROAD STE 500
City: DALLAS State: TX Zip: 75240

6. Contact Name: MichalWhite Phone: (972)628-1658 Fax: (972)628-1958
Email: Michal.White@meritenergy.com

7. Well Name: Peschel Well Number: 34-71

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

9. Proposed Total Measured Depth: 7450

WELL LOCATION INFORMATION

10. QtrQtr: NE SW Sec: 20 Twp: 4N Rng: 65W Meridian: 6
Latitude: 40.295630 Longitude: -104.689760

Footage at Surface: 1819 FNL/FSL FSL 1879 FEL/FWL FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4826 13. County: WELD

14. GPS Data:

Date of Measurement: 06/04/2008 PDOP Reading: 2.9 Instrument Operator's Name: Robert D. Thomas

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 _____
1320 FSL 2568 FWL 1320 FSL 2568 FWL
Sec: 20 Twp: 4N Rng: 65W Sec: 20 Twp: 4N Rng: 65W

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: 1558 ft

18. Distance to nearest property line: 36 ft 19. Distance to nearest well permitted/completed in the same formation: 816 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 Codell	NB-CD	407-87	160	GWA

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 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):
E/2 SW/4, W/2 SE/4 sec. 20, T4N-R65W

25. Distance to Nearest Mineral Lease Line: 1279 ft 26. Total Acres in Lease: 160

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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? Yes No **If 28, 29, or 30 are "Yes" a pit permit may be required.**

31. Mud disposal: Offsite Onsite
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	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
SURF	12+1/4	8+5/8	24	520	440	520	0
S.C. 1.1	7+7/8	4+1/2	11.6	7,450	550	7,450	

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

33. Comments _____

34. Location ID: 332803

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: Michal K. White

Title: Regulatory Analyst Date: 7/22/2009 Email: Michal.White@meritenergy.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. Noshin Director of COGCC Date: 11/15/2009

API NUMBER
05 123 27075 00

Permit Number: _____ Expiration Date: 11/14/2010

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.

EXCEPTION LOCATION RULE 603a2 WAIVER ATTACHED

Attachment Check List

Att Doc Num	Name	Doc Description
400001685	WELL LOCATION PLAT	LF@2166817 400001685
400001688	TOPO MAP	LF@2166818 400001688
400001689	SURFACE AGRMT/SURETY	LF@2166819 400001689
400001690	CONSULT NOTICE	LF@2166820 400001690
400001694	DEVIATED DRILLING PLAN	LF@2166821 400001694
400004991	EXCEPTION LOC WAIVERS	LF@2166822 400004991
400004992	PROPOSED SPACING UNIT	LF@2166823 400004992

Total Attach: 7 Files