

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:

1787008

Plugging Bond Surety

19910030

3. Name of Operator: BLUE CHIP OIL INC

4. COGCC Operator Number: 8840

5. Address: 155 E BOARDWALK DR STE 400

City: FORT COLLINS State: CO Zip: 80525

6. Contact Name: TIM HAGER Phone: (970)493-6456 Fax: (970)232-3051

Email: CJOHNSON@PETRO-FS.COM

7. Well Name: STONEHOCKER Well Number: 21-8H

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

9. Proposed Total Measured Depth: 8910

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 8 Twp: 1S Rng: 67W Meridian: 6

Latitude: 39.981920 Longitude: -104.913460

Footage at Surface: 1619 FNL/FSL FNL 2401 FEL/FWL FWL

11. Field Name: SPINDLE Field Number: 77900

12. Ground Elevation: 5198 13. County: ADAMS

14. GPS Data:

Date of Measurement: 07/08/2008 PDOP Reading: 6.0 Instrument Operator's Name: RICHARD GABRIEL ALPINE CONSULTING

15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 534 FNL 2093 FWL 534 FNL 2093 FEL/FWL _____
Sec: 8 Twp: 1S Rng: 67W Sec: 8 Twp: 1S Rng: 67W

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: 238 ft

18. Distance to nearest property line: 225 ft 19. Distance to nearest well permitted/completed in the same formation: 980 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.)
DAKOTA	DKTA	499-15	320	N2
J SAND	JSND	232-23	320	N2
NIOBRARA CODEL	NB-CD	407-87	80	E/2/NW4

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):
T1S R67W - SEC 8: NW/4

25. Distance to Nearest Mineral Lease Line: 532 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	1,150	530	1,120	0
1ST	7+7/8	4+1/2	11.6	8,910	730	8,910	4,750

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

33. Comments CONDUCTOR CASING WILL NOT BE USED IN CONSTRUCTION OF THIS WELLBORE. DISTANCE TO NEAREST ROAD HAS BEEN UPDATED PER 2A EXHIBITS. ALL OTHER CONDITIONS ARE THE SAME.

34. Location ID: 335918

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: CHERYL JOHNSON

Title: REGULATORY Date: 11/3/2009 Email: CJOHNSON@PETRO-FS.CO

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: 12/11/2009

API NUMBER

05 001 09677 00

Permit Number: _____ Expiration Date: 12/10/2011

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 Jim Precup at 303-469-1902 or e-mail at james.precup@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 to 200' above Sussex. Verify coverage with cement bond log. Restore surface location. 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.

Attachment Check List

Att Doc Num	Name	Doc Description
1725350	SURFACE CASING CHECK	LF@2188848 1725350.00000
1759806	EXCEPTION LOC WAIVERS	LF@2182405 1759806
1759807	EXCEPTION LOC REQUEST	LF@2182406 1759807
1787026	WELL LOCATION PLAT	LF@2170650 1787026
1787027	ACCESS ROAD MAP	LF@2170651 1787027
1787028	30 DAY NOTICE LETTER	LF@2170652 1787028
1787029	DEVIATED DRILLING PLAN	LF@2170653 1787029
400013177	FORM 2 SUBMITTED	LF@2179029 400013177
400023662	APD ORIGINAL	LF@2170649 400023662

Total Attach: 9 Files