

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:

1757076

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: _____

7. Well Name: STATE Well Number: 33-36

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

9. Proposed Total Measured Depth: 7900

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 36 Twp: 4N Rng: 68W Meridian: 6

Latitude: 40.268840 Longitude: -104.948280

Footage at Surface: 2185 FNL/FSL FSL 1830 FEL/FWL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4979 13. County: WELD

14. GPS Data:

Date of Measurement: 03/29/2006 PDOP Reading: 1.6 Instrument Operator's Name: DALLAS NIELSEN

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: 525 ft

18. Distance to nearest property line: 312 ft 19. Distance to nearest well permitted/completed in the same formation: 940 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.)
CODELL	CODL	407-87	80	W2SE4
J SAND	JSND	232-23	320	W2
NIOBRARA	NBRR	407-87	80	W2SE4
SUSSEX-SHANNON	SX-SN	407-87	80	W2SE4

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#: 896115

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):
SEC. 36, T4N-R68W: W/2 SE/4

25. Distance to Nearest Mineral Lease Line: 466 ft 26. Total Acres in Lease: 80

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	450	300	450	0
1ST	7+7/8	4+1/2	11.6	7,900	300	7,900	6,600

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

33. Comments NO CONDUCTOR CASING WILL BE SET. NO SURFACE CHANGE WITHIN 400' SINCE LAST PERMITTED.

34. Location ID: 306308

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: Y Print Name: JOE MAZOTTI

Title: AGENT Date: 6/3/2009 Email: JOE@PETRO-FS.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. Neslin Director of COGCC Date: 9/14/2009

API NUMBER

05 123 24404 00

Permit Number: 20092708 Expiration Date: 9/13/2011

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 Ed Binkley at 970-506-9834 or e-mail at ed.binkley@state.co.us 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.

Attachment Check List

Att Doc Num	Name	Doc Description
1757077	WELL LOCATION PLAT	LF@2086590 1757077
1757078	TOPO MAP	LF@2086591 1757078
1757079	30 DAY NOTICE LETTER	LF@2086593 1757079
1758373	WELL LOCATION PLAT	LF@2121292 1758373
1758374	TOPO MAP	LF@2121293 1758374
400005161	APD ORIG & 1 COPY	LF@2086589 400005161

Total Attach: 6 Files