

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:
400035042
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: Michal White Phone: (972)628-1658 Fax: (972)628-1958
Email: Michal.White@meritenergy.com

7. Well Name: Wailes Well Number: 33-8

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

9. Proposed Total Measured Depth: 7750

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 8 Twp: 2S Rng: 63W Meridian: 6
Latitude: 39.888480 Longitude: -104.458620

Footage at Surface: 1978 FNL/FSL FSL 1970 FEL/FWL FEL

11. Field Name: Chieftain Field Number: 11060

12. Ground Elevation: 5197 13. County: ADAMS

14. GPS Data:

Date of Measurement: 07/19/2006 PDOP Reading: 2.5 Instrument Operator's Name: David L. Swanson

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: 2799 ft

18. Distance to nearest property line: 1970 ft 19. Distance to nearest well permitted/completed in the same formation: 1165 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.)
J Sand	JSND	291.15	320	E/2

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):
SE/4, Sec. 8, T2S-R63W

25. Distance to Nearest Mineral Lease Line: 656 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#	770	400	500	
1ST	7+7/8	4+1/2	11.6#	7,750	1,000	7,750	

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

33. Comments Per Michal no conductor casing. ksc 02/18/10

34. Location ID: 320557

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: 2/3/2010 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: 3/15/2010

Permit Number: _____ Expiration Date: 3/13/2012

API NUMBER
05 001 09580 00

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. 2) The Fox Hills aquifer must be isolated. Operator can either: (Option A) Set 1320' of surface casing; or, (Option B) Set 770' of surface casing as proposed and provide stage cement from 1320' to 50' above the surface casing shoe. 3) Cement coverage shall be provided from TD to a minimum of 200' above Niobrara. All cement coverage shall be verified by CBL. 4) If dry hole with Option A, set 60 sks cement from 50' below D Sand base to 100' above D Sand top, 40 sks cement 50' above Niobrara top, 50 sks cement ½ out, ½ in surface casing, 10 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. 5) If dry hole with Option B, plug hole in accordance to Option A above (item 4) with the inclusion of a 40 sks cement from 1400'

Attachment Check List

Att Doc Num	Name	Doc Description
1725639	SURFACE CASING CHECK	LF@2431303 1725639
400035118	WELL LOCATION PLAT	LF@2420909 400035118
400035119	TOPO MAP	LF@2420910 400035119
400035120	SURFACE AGRMT/SURETY	LF@2420911 400035120
400035121	30 DAY NOTICE LETTER	LF@2420912 400035121
400035122	30 DAY NOTICE LETTER	LF@2420913 400035122
400035123	PROPOSED SPACING UNIT	LF@2420914 400035123
400039386	FORM 2 SUBMITTED	LF@2420915 400039386

Total Attach: 8 Files