

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 OIL & GAS
SINGLE ZONE ☐ MULTIPLE ZONE ☒ COMMINGLE ZONE ☒

Refiling ☒

Sidetrack ☐

Document Number:

2093080

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: BLUECHIPOIL@MSN.COM

7. Well Name: KW Well Number: 2

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

9. Proposed Total Measured Depth: 8160

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 12 Twp: 6N Rng: 67W Meridian: 6

Latitude: 40.507690 Longitude: -104.833930

Footage at Surface: 444 FNL/FSL FNL 454 FEL/FWL FEL

11. Field Name: SEVERANCE Field Number: 77030

12. Ground Elevation: 4885 13. County: WELD

14. GPS Data:

Date of Measurement: 06/27/2008 PDOP Reading: 1.9 Instrument Operator's Name: ROD EDWARDS

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

Footage at Top of Prod Zone: FNL/FSL 1985 FNL 656 FEL FEL Bottom Hole: FNL/FSL 1985 FNL 656 FEL FEL
Sec: 12 Twp: 6N Rng: 67w Sec: 12 Twp: 6N 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: 444 ft

18. Distance to nearest property line: 444 ft 19. Distance to nearest well permitted/completed in the same formation: 932 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		80	E/2NE4
NIOBRARA-CODELL	NB-CD	407-87	80	E/2NE4

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):
T6N, R67W: SECTION 12:NE4

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	710	400	710	0
1ST	7+7/8	4+1/2	11.6	8,160	290	8,160	6,790

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

33. Comments NO CONDUCTOR CASING WIL BE SET IN SUBJECT WELL. TWINNING THE PROPOSED KW#1 WELL.

34. Location ID: 333316

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: TIM HAGER

Title: PRESIDENT Date: 12/8/2009 Email: BLUECHIPOIL@MSN.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: 1/19/2010

API NUMBER

05 123 29266 00

Permit Number: _____ Expiration Date: 1/18/2012

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. 3) Run and submit Directional Survey from TD to base of surface casing. The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Location is outside the window; exception granted

Attachment Check List

Att Doc Num	Name	Doc Description
2093081	WELL LOCATION PLAT	LF@2193815 2093081
2093082	TOPO MAP	LF@2193816 2093082
2093083	30 DAY NOTICE LETTER	LF@2193818 2093083
2093084	DEVIATED DRILLING PLAN	LF@2193819 2093084
2093085	EXCEPTION LOC REQUEST	LF@2193820 2093085
2093086	EXCEPTION LOC WAIVERS	LF@2193821 2093086
400020661	FORM 2 SUBMITTED	LF@2199892 400020661
400033888	APD ORIGINAL	LF@2193813 400033888

Total Attach: 8 Files