

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:
400003675
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: Frank Well Number: 21-7B

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

9. Proposed Total Measured Depth: 7536

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 32 Twp: 4N Rng: 66W Meridian: 6
Latitude: 40.274100 Longitude: -104.807910

Footage at Surface: _____ FNL/FSL _____ FEL/FWL _____
452 FNL 841 FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4764 13. County: WELD

14. GPS Data:

Date of Measurement: 09/09/2008 PDOP Reading: 2.7 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 _____
25 FNL 1601 FWL 25 FNL 1601 FWL
Sec: 32 Twp: 4N Rng: 66W Sec: 32 Twp: 4N Rng: 66W

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: 332 ft

18. Distance to nearest property line: 260 ft 19. Distance to nearest well permitted/completed in the same formation: 847 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):
N/2 NW/4, Sec. 32, T4N-R66W

25. Distance to Nearest Mineral Lease Line: 25 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#	570	400	570	0
1ST	7+7/8	4+1/2	11.6#	7,536	700	7,536	

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

33. Comments _____

34. Location ID: 332804

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: 11/10/2009 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. Nashin Director of COGCC Date: 12/15/2009

API NUMBER
05 123 28186 00

Permit Number: _____ Expiration Date: 12/14/2011

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 and from 200' below Shannon to 200' above Shannon. Verify coverage with cement bond log. 3) 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
400014801	WELL LOCATION PLAT	LF@2184636 400014801
400014802	TOPO MAP	LF@2184637 400014802
400014803	PROPOSED SPACING UNIT	LF@2184638 400014803
400014804	SURFACE AGRMT/SURETY	LF@2184639 400014804
400014805	30 DAY NOTICE LETTER	LF@2184640 400014805
400014806	DEVIATED DRILLING PLAN	LF@2184641 400014806
400014807	EXCEPTION LOC WAIVERS	LF@2184642 400014807
400014808	30 DAY NOTICE LETTER	LF@2184643 400014808
400014820	FORM 2 SUBMITTED	LF@2184644 400014820

Total Attach: 9 Files