

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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| DE | ET | OE | ES |
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Document Number:

400064042

Plugging Bond Surety

20090040

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 ☐3. Name of Operator: FRAM OPERATING LLC4. COGCC Operator Number: 103105. Address: 30 E PIKES PEAK AVE STE 283City: COLORADO State: CO Zip: 80903
SPRINGS6. Contact Name: David Cook Phone: (719)593-8787 Fax: (719)314-1362Email: dave@framamericas.com7. Well Name: Kelley Well Number: 23-2-B8. Unit Name (if appl): Whitewater Unit Unit Number: 73038X9. Proposed Total Measured Depth: 3301

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 23 Twp: 2S Rng: 2E Meridian: ULatitude: 38.974420 Longitude: -108.341680
 Footage at Surface: 581 FNL/FSL FNL 1995 FEL/FWL FWL
11. Field Name: Wildcat Field Number: 9999912. Ground Elevation: 5535 13. County: MESA

14. GPS Data:

Date of Measurement: 01/24/2005 PDOP Reading: 6.0 Instrument Operator's Name: Jeff Fletcher15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**
 Footage at Top of Prod Zone: FNL/FSL 598 FNL 2281 FWL 665 FNL 1980 FEL/FWL FEL
 Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____
16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 731 ft18. Distance to nearest property line: 581 ft 19. Distance to nearest well permitted/completed in the same formation: 106 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 | 73038X | | |

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#: 20090041

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):
See attached description and lease map on file with previous permit.

25. Distance to Nearest Mineral Lease Line: 598 ft 26. Total Acres in Lease: 2053

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: Drilled with Air Dry Cuttings

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 |
|-------------|--------------|----------------|-----------------|---------------|--------------|---------------|------------|
| CONDUCTOR | 16 | 14 | 24# | 60 | 100 | 60 | |
| SURF | 11 | 5+1/2 | 24# | 470 | 300 | 470 | |
| 2ND | 7+7/8 | | 14# | 1,912 | 500 | 1,912 | 322 |
| OPEN HOLE | 4+7/8 | | NA | 3,301 | | | |

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

33. Comments Pad is built and no changes have been made to the surface use or visible improvements within 400' since the last permit. 318b Location Exception included.

34. Location ID: 311761

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: David Cook

Title: Manager Date: 5/24/2010 Email: dave@framamericas.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: _____ Director of COGCC Date: _____

Permit Number: _____ Expiration Date: _____

API NUMBER

05 077 09459 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.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------|-----------------|
| 400064042 | FORM 2 SUBMITTED | 400064042.pdf |

Total Attach: 1 Files