

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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Document Number:

400058854

Plugging Bond Surety

20100095

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☐ GAS ☐ COALBED ☐ OTHER Disposal
SINGLE ZONE ☐ MULTIPLE ZONE ☒ COMMINGLE ZONE ☐

Refilling ☐

Sidetrack ☐

3. Name of Operator: TC OPERATING LLC

4. COGCC Operator Number: 10320

5. Address: 518 17TH STREET - SUITE 765

City: DENVER State: CO Zip: 80202

6. Contact Name: J Craig Creel Phone: (970)759-8393 Fax: (970)858-8004
Email: jccreel@riochama.com

7. Well Name: Deer Creek SWD Well Number: 1

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

9. Proposed Total Measured Depth: 2400

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 2 Twp: 14S Rng: 98W Meridian: 6

Latitude: 38.869560 Longitude: -108.305710

Footage at Surface: 169 FNL/FSL FNL 214 FEL/FWL FEL

11. Field Name: _____ Field Number: _____

12. Ground Elevation: 5314 13. County: MESA

14. GPS Data:

Date of Measurement: 05/06/2010 PDOP Reading: 6.0 Instrument Operator's Name: STANLEY WERNER

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: 1500 ft

18. Distance to nearest property line: 214 ft 19. Distance to nearest well permitted/completed in the same formation: 10 mi

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.)
Chinle	CHIN			
Entrada	ENRD			

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):
 Lot 4, Sec 35-13S-98W and NENE Sec 2-14S-98S

25. Distance to Nearest Mineral Lease Line: 214 ft 26. Total Acres in Lease: 96

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+3/4	10+3/4	40.5	210	80	210	
1ST	9+5/8	7	20	2,400	400	2,400	650

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

33. Comments _____

34. Location ID: _____

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: J Craig Creel

Title: Vice-Pres/Engineer Date: 4/30/2010 Email: jccreel@riochama.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: 6/11/2010

API NUMBER

05 077 10096 00

Permit Number: _____ Expiration Date: 6/10/2012

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)COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

2)CEMENT TOP VERIFICATION BY CBL REQUIRED.

3)APPROVAL OF THIS FORM DOES NOT AUTHORIZE INJECTION. AUTHORIZATION TO INJECT REQUIRES APPROVAL OF FORM 31 AND FORM 33.

4)THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 89 FEET DEEP.

Attachment Check List

Att Doc Num	Name	Doc Description
1791568	CORRESPONDENCE	LF@2486827 1791568
1791569	WAIVERS	LF@2486828 1791569
1791572	OTHER	LF@2487727 1791572
1791574	WAIVERS	LF@2487732 1791574
400060195	CONST. LAYOUT DRAWINGS	LF@2485076 400060195
400060196	WELL LOCATION PLAT	LF@2485077 400060196

Total Attach: 6 Files