

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 Disposal  
SINGLE ZONE  MULTIPLE ZONE  COMMINGLE ZONE

Refilling   
Sidetrack

Document Number:  
400067593  
Plugging Bond Surety  
20090021

3. Name of Operator: LONE STAR LLC 4. COGCC Operator Number: 10295

5. Address: P O BOX 26  
City: ANDREWS State: TX Zip: 79716

6. Contact Name: Jim Lee Phone: (432)638-9471 Fax: (432)523-9601  
Email: jim\_lee@palmertank.net

7. Well Name: LSWD Well Number: #1

8. Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

9. Proposed Total Measured Depth: 10300

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 18 Twp: 3N Rng: 64W Meridian: 6  
Latitude: 40.231120 Longitude: -104.594900

Footage at Surface: 510 FNL/FSL FNL 2150 FEL/FWL FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4805 13. County: WELD

14. GPS Data:

Date of Measurement: 02/04/2009 PDOP Reading: 1.6 Instrument Operator's Name: Dallas Nielsen

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: 312 ft

18. Distance to nearest property line: 150 ft 19. Distance to nearest well permitted/completed in the same formation: 5280 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.)
Amazon	AMZN	N/A		N/A
Council Grove	COUGR	N/A		N/A
Fountain	FNTN	N/A		N/A
Lyons	LYNS	N/A		N/A
Missouri	MSSR	N/A		N/A

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):  
W2 SEC 18, T3N, R64W

25. Distance to Nearest Mineral Lease Line: 304 ft 26. Total Acres in Lease: 320

### 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	800	550	800	
1ST	7+7/8	5+1/2	17	10,300	625	10,300	6,600
			Stage Tool	7,100	1,000	7,100	100

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

33. Comments Conductor casing will not be used as well is a water disposal well. The operator is also the mineral owner. ADDED COMMERCIAL UIC BOND PER OPERATOR (JL) 6-11-10 MKO.

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: Daniel Hull

Title: Senior Project Manager Date: 6/10/2010 Email: dan.hull@LRA-inc.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. Nashine Director of COGCC Date: 7/15/2010

<b>API NUMBER</b> 05 123 30367 00	Permit Number: _____	Expiration Date: <u>7/14/2012</u>
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**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.

COGCC ENG COA - DMO

- 1) Provide 24 hour notice of MIRU to Bo Brown at 970-330-6085 or email at bo.brown@state.co.us.
- 2) Set surface casing per Rule 317d, with cement to surface. Setting surface casing less than the approved depth is a permit violation unless prior written approval is obtained from the COGCC.
- 3) If completed, provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with cement bond log.

### **Attachment Check List**

Att Doc Num	Name	Doc Description
400067593	FORM 2 SUBMITTED	LF@2489211 400067593
400067598	WELL LOCATION PLAT	LF@2489212 400067598
400067603	SURFACE AGRMT/SURETY	LF@2489213 400067603
400067605	TOPO MAP	LF@2489214 400067605

Total Attach: 4 Files