

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 ☐

Refiling ☒

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. Neslin Director of COGCC Date: 7/15/2010

API NUMBER

05 123 30367 00

Permit Number: _____ Expiration Date: 7/14/2012

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.

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