

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:

400070770

Plugging Bond Surety

20090025

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: AUGUSTUS ENERGY PARTNERS LLC

4. COGCC Operator Number: 10275

5. Address: P O BOX 250

City: WRAY State: CO Zip: 80758

6. Contact Name: Loni Davis Phone: (970)332-3585 Fax: (970)332-3587
Email: ldavis@augustusenergy.com

7. Well Name: Miller Well Number: 32-08 1N44W

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

9. Proposed Total Measured Depth: 2300

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 8 Twp: 1N Rng: 44W Meridian: 6

Latitude: 40.070670 Longitude: -102.311820

Footage at Surface: 1604 FNL/FSL FNL 2252 FEL/FWL FEL

11. Field Name: Republican Field Number: 73275

12. Ground Elevation: 3646 13. County: YUMA

14. GPS Data:

Date of Measurement: 06/15/2010 PDOP Reading: 2.3 Instrument Operator's Name: Neal McCormick

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: 1650 ft

18. Distance to nearest property line: 1680 ft 19. Distance to nearest well permitted/completed in the same formation: 736 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	NBRR			

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 Bond ☐ \$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):
1N44W, Sec. 8: E2NW, S2NE, NWNE, NESW, SE

25. Distance to Nearest Mineral Lease Line: 1100 ft 26. Total Acres in Lease: 400

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	9+7/8	7	20	372	200	372	0
1ST	6+1/4	4+1/2	10.5	2,300	75	2,300	1,500

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

33. Comments No Conductor Casing will be used. This location was abandoned on Berry Petroleum's behalf, but Augustus Energy purchased Berry Petroleum 04/01/09 and Augustus would like to refile this location using the existing API #05-125-11681. A change of operator has been submitted (5/27/10) changing the location from Berry to Augustus. All conditions remain the same.

34. Location ID: 411782

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: Loni J. Davis

Title: Oper Acctg & Reg Spec Date: 6/28/2010 Email: ldavis@augustusenergy.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: 7/22/2010

API NUMBER

05 125 11681 00

Permit Number: _____ Expiration Date: 7/21/2012

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) Provide 24 hr notice of spud to Colby Horton at 970-867-2517 or e-mail at colby.horton@state.co.us.
- 2) Set surface casing at least 50' into Pierre Shale for aquifer coverage, (372' minimum - as proposed). 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. Verify coverage with cement bond log.
- 4) If dry hole, set 35 sks cement 50' above Niobrara top, 35 sks cement ½ out, ½ in surface casing, 10 sks cement at top of surface casing, cut casing 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole.

Attachment Check List

Att Doc Num	Name	Doc Description
400070770	FORM 2 SUBMITTED	LF@2498982 400070770
400070778	PLAT	LF@2498983 400070778
400070779	TOPO MAP	LF@2498984 400070779
400073375	30 DAY NOTICE LETTER	LF@2498985 400073375
400073376	SURFACE AGRMT/SURETY	LF@2498986 400073376

Total Attach: 5 Files