

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:

2557794

Plugging Bond Surety

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: EAST RESOURCES MANAGEMENT LLC

4. COGCC Operator Number: 10083

5. Address: 190 THORN HILL ROAD

City: WARRENDALE State: PA Zip: 15086

6. Contact Name: BRIAN DOLAN Phone: (303)865-5957 Fax: (303)865-5961
Email: BDOLAN@EASTRESOURCESINC.COM

7. Well Name: WU DURHAM Well Number: 1-31 N

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

9. Proposed Total Measured Depth: 6750

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 31 Twp: 5N Rng: 90W Meridian: 6

Latitude: 40.334440 Longitude: -107.535880

Footage at Surface: 114 FNL/FSL FSL 2507 FEL/FWL FEL

11. Field Name: WADDLE CREEK Field Number: _____

12. Ground Elevation: 6700 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 03/18/2010 PDOP Reading: 1.3 Instrument Operator's Name: B. POWERS

15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 753 FSL 2248 FEL/FWL FEL Bottom Hole: FNL/FSL 1347 FNL 1974 FEL/FWL FEL
Sec: 31 Twp: 5N Rng: 90W Sec: 31 Twp: 5N Rng: 90W

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: 151 ft

18. Distance to nearest property line: 259 ft 19. Distance to nearest well permitted/completed in the same formation: 1660 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 #: COC-66151

22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian

23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#: 20100124

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):
PLEASE SEE ATTACHED "EXHIBIT A" AND "EXHIBIT B"

25. Distance to Nearest Mineral Lease Line: 600 ft 26. Total Acres in Lease: 527

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
CONDUCTOR	12+1/2	10+3/4	40.5	850	311	850	
SURF	9+7/8	7+5/8	26.4	3,450	74	3,450	2,750
1ST	6+3/4	5+1/2	17	6,720	0		

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

33. Comments A SURFACE OWNERS AGREEMENT IS CURRENTLY BEING NEGOTIATED. PLEASE SEE ATTACHED LETTER. HORIZONTAL WELLBORE GOES THROUGH BOTH FEE FED MINERALS. SURFACE OWNER IS THE SAME IN BOTH SECTIONS 31 TO 9. Changed TD to 6750' per e-mail from Jeff Dolan 07/13/2010 RE.

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: V. BRIAN DOLAN

Title: OPERATIONS MGR ROCKY MTNS Date: 6/7/2010 Email: BDOLAN@EASTRESOURCES

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: 8/20/2010

API NUMBER

05 081 07622 00

Permit Number: _____ Expiration Date: 8/19/2012

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.

The rig height of 66' was provided. The rig used to drill the subject well must not have a derrick height of greater than 2/3rds of 151 feet or 101 feet.

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

(2) CEMENT ON PRODUCTION CASING MUST BE AT LEAST 200' ABOVE TOP OF FT. UNION AND COMPLY WITH RULES 209 AND 317.I. SEGREGATE OIL, GAS, AND FRESH-WATER-BEARING ZONES AND PROTECT COAL SEAMS. VERIFY TOP WITH CBL.

(3) THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 00 FEET DEEP.

Attachment Check List

Att Doc Num	Name	Doc Description
1791652	OTHER	LF@2507465 1791652
2557794	APD ORIGINAL	LF@2488235 2557794
2557795	WELL LOCATION PLAT	LF@2488236 2557795
2557796	TOPO MAP	LF@2488427 2557796
2557797	OTHER	LF@2488237 2557797
2557798	MINERAL LEASE MAP	LF@2488238 2557798
2557799	CORRESPONDENCE	LF@2488239 2557799
2557800	DEVIATED DRILLING PLAN	LF@2488240 2557800
2557801	OTHER	LF@2488241 2557801

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	requesting Rig Height (151' f/overhead utility). 8/3/10 plg.	8/3/2010 2:40:31 PM

Total: 1 comment(s)

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