

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:

400089801

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: Conrad Well Number: 24-05 3N45W

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

9. Proposed Total Measured Depth: 2670

WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 5 Twp: 3N Rng: 45W Meridian: 6

Latitude: 40.251479 Longitude: -102.425931

Footage at Surface: 364 FNL/FSL FSL 2280 FEL/FWL FWL

11. Field Name: Eckley Field Number: 19415

12. Ground Elevation: 3845 13. County: YUMA

14. GPS Data:

Date of Measurement: 08/24/2010 PDOP Reading: 2.0 Instrument Operator's Name: Chris Pearson

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: 2 mi

18. Distance to nearest property line: 347 ft 19. Distance to nearest well permitted/completed in the same formation: 1730 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	353-4	160	SW

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):
 3N45W, Sec 5: SWNW, SW, Sec 6: NWNW,SWNW,S2NE,SE, 3N46W, Sec 1: NWNW,NENW,SWNE, SESE, SENW, 4N45W, Sec 30: SESW, Sec 31: NE, Sec 32, W2NW, 4N46W, Sec 25: All

25. Distance to Nearest Mineral Lease Line: 347 ft 26. Total Acres in Lease: 1640

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	350	200	350	0
1ST	6+1/4	4+1/2	10.5	2,670	75	2,670	1,870

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

33. Comments No Conductor Casing will be used. Please note comment on plat stating the actual well location <10% slope, so cut and fill plats are not provided. We were not able to get both parties to sign the SUA and/or the NOI. I have attached a document outlining the attempts made to get the requested signatures.

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: Loni J. Davis

Title: Oper Acctg & Reg Spec. Date: 9/16/2010 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: 10/19/2010

API NUMBER
05 125 11939 00

Permit Number: _____ Expiration Date: 10/18/2012

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, (350' 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
2511315	SURFACE CASING CHECK	LF@2545996 2511315
400089801	FORM 2 SUBMITTED	LF@2543203 400089801
400089813	TOPO MAP	LF@2543204 400089813
400089924	PLAT	LF@2543205 400089924
400093385	30 DAY NOTICE LETTER	LF@2543206 400093385
400093388	SURFACE AGRMT/SURETY	LF@2543207 400093388
400093392	OTHER	LF@2543208 400093392

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	PERMITTING PASSED	10/18/2010 11:43:14 AM
Permit	Called Operator to discuss SUA; the oil and gas lease is the primary mechanism to address surface owner protection	10/18/2010 11:38:50 AM
Permit	Called operator W/O SUA 2nd signature or Bonding?	10/15/2010 4:22:44 PM

Total: 3 comment(s)

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