

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 _____
SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONE

Refiling
Sidetrack

Document Number:
400097814
Plugging Bond Surety
20080121

3. Name of Operator: THREE FORKS RESOURCES LLC 4. COGCC Operator Number: 10292

5. Address: 1515 WAZEE STREET - SUITE #350
City: DENVER State: CO Zip: 80202

6. Contact Name: IRENE TRUJILLIO Phone: (303)318-0717 Fax: (303)318-0720
Email: Irene@3ForksRes.com

7. Well Name: STATE OF CO Well Number: 7-24

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

9. Proposed Total Measured Depth: 8714

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 24 Twp: 5S Rng: 65W Meridian: 6
Latitude: 39.603932 Longitude: -104.611235

Footage at Surface: 1980 FNL/FSL FNL 1980 FEL/FWL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5931 13. County: ARAPAHOE

14. GPS Data:

Date of Measurement: 09/23/2010 PDOP Reading: 1.7 Instrument Operator's Name: BEN MILIUS

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
1980 FNL 1830 FEL 1980 FNL 1830 FEL
Sec: 24 Twp: 5S Rng: 65W Sec: 24 Twp: 5S Rng: 65W

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: 407 ft

18. Distance to nearest property line: 12464 ft 19. Distance to nearest well permitted/completed in the same formation: 2160 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.)
J Sand	JSND	257-1	80	S/2NE4
Niobrara-Codell	NB-CD		80	S/2NE4

21. Mineral Ownership: Fee State Federal Indian Lease #: 70-8032-S

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):
See Attached Oil and Gas Lease

25. Distance to Nearest Mineral Lease Line: 1830 ft 26. Total Acres in Lease: 640

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	11	8+5/8	24	2,280	1,596	2,280	
1ST	7+7/8	4+1/2	11.6	8,714	200	8,714	

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

33. Comments No conductor casing will be used.

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: Irene Trujillio

Title: Regulatory Analyst Date: 10/7/2010 Email: Irene@3ForksRes.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. Nashin Director of COGCC Date: 11/7/2010

API NUMBER
05 005 07157 00

Permit Number: _____ Expiration Date: 11/6/2012

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 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at jim.precup@state.co.us.
- 2) Set surface casing per Rule 317d, 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 J-sand. Verify coverage with cement bond log.
- 4) If dry hole, set 80 sks cement from 50' below D Sand base to 100' above D Sand top, 40 sks cement 50' above Niobrara top, 50 sks cement ½ out, ½ in surface casing, 10 sks cement top of surface casing, cut 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole. Restore surface location.

Attachment Check List

Att Doc Num	Name	Doc Description
400097814	FORM 2 SUBMITTED	LF@2600582 400097814
400098174	TOPO MAP	LF@2600583 400098174
400098176	PLAT	LF@2600585 400098176
400098406	OIL & GAS LEASE	LF@2600586 400098406
400098535	DEVIATED DRILLING PLAN	LF@2600587 400098535
400098555	30 DAY NOTICE LETTER	LF@2600588 400098555

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Surface Restoration Bond on file with SLB; per Tim Kelly	10/18/2010 8:50:09 AM
Permit	Opr - Irene corrected all issues	10/12/2010 12:43:58 PM
Permit	DRAFT: Form 2: 400097814 •Incorrect plugging/surety bond number – it should be a state generated surety id (see below) •Please correct longitude typo on form to the one on the plat -104.611123 (incorrect) •Section III – surface surety is not a standard number/incorrect – take it out please PEB	10/8/2010 11:22:36 AM

Total: 3 comment(s)

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