


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		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">DE</td> <td style="width: 25%;">ET</td> <td style="width: 25%;">OE</td> <td style="width: 25%;">ES</td> </tr> </table>	DE	ET	OE	ES
DE	ET	OE	ES				
APPLICATION FOR PERMIT TO:			Document Number: 1634113 Plugging Bond Surety 20100089				
1. <input checked="" type="checkbox"/> Drill, <input type="checkbox"/> Deepen, <input type="checkbox"/> Re-enter, <input type="checkbox"/> Recomplete and Operate							
2. TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> COMMINGLE ZONE <input type="checkbox"/>		Refiling <input checked="" type="checkbox"/> Sidetrack <input type="checkbox"/>					
3. Name of Operator: <u>DECLAR OIL & GAS INC</u>		4. COGCC Operator Number: <u>23320</u>					
5. Address: <u>13500 RD 'W'</u> City: <u>WELDONA</u> State: <u>CO</u> Zip: <u>80653</u>							
6. Contact Name: <u>LEWIS CAMP</u> Phone: <u>(970)590-3332</u> Fax: <u>()</u> Email: <u>LAM53@MSN.COM</u>							
7. Well Name: <u>NELSON</u>		Well Number: <u>5-41</u>					
8. Unit Name (if appl): _____		Unit Number: _____					
9. Proposed Total Measured Depth: <u>7650</u>							
WELL LOCATION INFORMATION							
10. QtrQtr: <u>NENE</u> Sec: <u>5</u> Twp: <u>4N</u> Rng: <u>67W</u> Meridian: <u>6</u> Latitude: <u>40.347240</u> Longitude: <u>-104.908310</u>							
Footage at Surface: <u>657</u> feet FNL/FSL <u>FNL</u> <u>553</u> feet FEL/FWL <u>FEL</u>							
11. Field Name: <u>JOHNSTOWN</u>		Field Number: <u>42600</u>					
12. Ground Elevation: <u>4802</u>		13. County: <u>WELD</u>					
14. GPS Data: Date of Measurement: <u>02/15/2011</u> PDOP Reading: <u>2.0</u> Instrument Operator's Name: <u>C. VANMATRE</u>							
15. If well is <input type="checkbox"/> Directional <input type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
17. Distance to the nearest building, public road, above ground utility or railroad: <u>472</u> ft							
18. Distance to nearest property line: <u>448</u> ft 19. Distance to nearest well permitted/completed in the same formation: <u>966</u> 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.)			
CODELL-NIOBRARA	NB-CD	407-87	80	E/2NE/4			
J SAND	JSND	232-23	320	N/2			

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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):
N/2 OF SECTION 5, T4N-R67W, 6TH PM

25. Distance to Nearest Mineral Lease Line: _____ 553 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 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☐ No

31. Mud disposal: ☒ Offsite ☐ Onsite **If 28, 29, or 30 are "Yes" a pit permit may be required.**

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	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+1/4	8+5/8	24	0	500	360	500	0
1ST	7+7/8	4+1/2	11.6	0	7,650	480	7,659	3,000

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

33. Comments NO CONDUCTOR, 30-DAY NOTICE WAIVER IN SUA.

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: LEWIS CAMP

Title: PRESIDENT Date: 3/14/2011 Email: LAM53@MSN.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: 3/24/2011

API NUMBER

05 123 30722 00

Permit Number: _____ Expiration Date: 3/23/2013

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 Ed Binkley at 970-506-9834 or e-mail at ed.binkley@state.co.us
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Shannon to 200' above Shannon. Verify coverage with cement bond log.

Attachment Check List

Att Doc Num	Name
1634113	APD ORIGINAL
1634114	WELL LOCATION PLAT
1634115	TOPO MAP
1634116	SURFACE AGRMT/SURETY
2530330	VARIANCE REQUEST
2530343	WAIVERS

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Permission from Opr to add Plugging bond. sf	3/17/2011 11:37:33 AM
Permit	API#123-30722 is correct for this application per Jeff Rio. Operator is changing the name to Nelson. plg.	3/16/2011 2:46:16 PM
Permit	Do Not Pass. Checking with operator about correct API # and name. plg.	3/16/2011 11:11:46 AM
Data Entry	NO API # ON FORM.	3/16/2011 9:15:12 AM

Total: 4 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)