

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		DE ET OE ES	
APPLICATION FOR PERMIT TO:			Document Number: 400127483 Plugging Bond Surety 20090029	
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 type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> COMMINGLE ZONE <input checked="" type="checkbox"/>			Refiling <input type="checkbox"/> Sidetrack <input type="checkbox"/>	
3. Name of Operator: <u>HRM RESOURCES LLC</u>		4. COGCC Operator Number: <u>10273</u>		
5. Address: <u>555 17TH STREET #950</u> City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>				
6. Contact Name: <u>Terry Hoffman</u> Phone: <u>(303)250-0619</u> Fax: <u>(303)412-8212</u> Email: <u>tlhoffman@q.com</u>				
7. Well Name: <u>Fritzler</u>		Well Number: <u>8-8-17</u>		
8. Unit Name (if appl): _____		Unit Number: _____		
9. Proposed Total Measured Depth: <u>7414</u>				
WELL LOCATION INFORMATION				
10. QtrQtr: <u>SE SE</u> Sec: <u>17</u> Twp: <u>6N</u> Rng: <u>66W</u> Meridian: <u>6</u> Latitude: <u>40.482690</u> Longitude: <u>-104.794620</u>				
Footage at Surface: <u>658</u> feet <u>FSL</u> <u>608</u> feet <u>FEL</u> <small style="margin-left: 100px;">FNL/FSL</small> <small style="margin-left: 100px;">FEL/FWL</small>				
11. Field Name: <u>Bracewell</u>		Field Number: <u>7487</u>		
12. Ground Elevation: <u>4770</u>		13. County: <u>WELD</u>		
14. GPS Data: Date of Measurement: <u>11/23/2010</u> PDOP Reading: <u>2.1</u> Instrument Operator's Name: <u>Brian Brinkman</u>				
15. If well is <input checked="" 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 <u>50</u> <u>FSL</u> <u>50</u> <u>FEL</u> <u>50</u> <u>FSL</u> <u>50</u> <u>FEL</u> Sec: <u>17</u> Twp: <u>6N</u> Rng: <u>66W</u> Sec: <u>17</u> Twp: <u>6N</u> Rng: <u>66W</u>				
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>620 ft</u>				
18. Distance to nearest property line: <u>247 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>15 ft</u>				
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-Codell	NB-CD	381-5	160	GWA

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#: 20080120
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):
A parcel of land in Section 17-T6N-R66W in the SE/4 lying South of the Cache La Poudre Irrigation Company #2 Ditch (65 acres); & Section 21-T6N-R66W: W/2 NW/4 (80 acres).
25. Distance to Nearest Mineral Lease Line: 50 ft 26. Total Acres in Lease: 145

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	650	450	650	0
1ST	7+7/8	4+1/2	11.6	0	7,414	180	7,414	6,664

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None
33. Comments Conductor will not be set on this well. All footages 5280' are 1 mile or greater. Proposed spacing unit of 160 acres is in Section 17-T6N-R66W: SESE; Section 16-T6N-R66W: SWSW; Section 20-T6N-R66W: NENE; & Section 21-T6N-R66W: NWNW.

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: Terry L. Hoffman
Title: Permit Agent Date: 2/22/2011 Email: tlhoffman@q.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. Nesline Director of COGCC Date: 3/31/2011

API NUMBER: **05 123 33239 00** Permit Number: _____ Expiration Date: 3/30/2013
CONDITIONS OF APPROVAL, IF ANY: _____

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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. Verify coverage with cement bond log.
- 3) Run and submit Directional Survey from TD to base of surface casing. The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

Att Doc Num	Name
1693861	PROPOSED SPACING UNIT
400127483	FORM 2 SUBMITTED
400127499	PLAT
400134435	DEVIATED DRILLING PLAN
400134436	WAIVERS
400135773	30 DAY NOTICE LETTER

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Received: Distance to nearest property line 247', Proposed Spacing Unit & 20 Cert. plg.	3/2/2011 2:06:19 PM
Permit	Requested: Distance to nearest property line, Proposed Spacing Unit & 20 Cert. plg.	3/2/2011 2:05:24 PM

Total: 2 comment(s)

BMP

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

Total: 0 comment(s)