


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: 400143324 Plugging Bond Surety 20100085				
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 checked="" type="checkbox"/> GAS <input 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 type="checkbox"/> Sidetrack <input type="checkbox"/>					
3. Name of Operator: <u>LARIO OIL & GAS COMPANY</u>		4. COGCC Operator Number: <u>49888</u>					
5. Address: <u>PO BOX 29</u> City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80201</u>							
6. Contact Name: <u>Christopher Noonan</u> Phone: <u>(303)820-4480</u> Fax: <u>(303)820-4124</u> Email: <u>bob@banko1.com</u>							
7. Well Name: <u>Grimm</u>		Well Number: <u>34-4H</u>					
8. Unit Name (if appl): _____		Unit Number: _____					
9. Proposed Total Measured Depth: <u>12115</u>							
WELL LOCATION INFORMATION							
10. QtrQtr: <u>NENW</u> Sec: <u>34</u> Twp: <u>4S</u> Rng: <u>64W</u> Meridian: <u>6</u> Latitude: <u>39.665610</u> Longitude: <u>-104.542120</u>							
Footage at Surface: <u>260</u> feet FNL/FSL <u>FNL</u> <u>1320</u> feet FEL/FWL <u>FWL</u>							
11. Field Name: <u>Wildcat</u>		Field Number: <u>99999</u>					
12. Ground Elevation: <u>5751</u>		13. County: <u>ARAPAHOE</u>					
14. GPS Data: Date of Measurement: <u>03/11/2011</u> PDOP Reading: <u>1.2</u> Instrument Operator's Name: <u>K. Daley</u>							
15. If well is <input type="checkbox"/> Directional <input checked="" 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>649</u> <u>FNL</u> <u>1980</u> <u>FWL</u> <u>650</u> <u>FSL</u> <u>660</u> <u>FWL</u> Sec: <u>34</u> Twp: <u>4S</u> Rng: <u>64W</u> Sec: <u>34</u> Twp: <u>4S</u> Rng: <u>64W</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>990 ft</u>							
18. Distance to nearest property line: <u>260 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>5280 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	NBRR						

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):
Fee Lease D0065142: T4S R64W Sec 34: NW/4, N/2NE/4, SE/4NE/4. Fee Lease D0043215: T4S R64W Sec 34: S/2, SW/4NE/4

25. Distance to Nearest Mineral Lease Line: _____ 260 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 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
CONDUCTOR	20	16		0	60	50	60	0
SURF	13+1/2	9+5/8	36	0	2,000	605	2,000	0
1ST	9+3/4	7	23	0	6,865	585	6,865	0
1ST LINER	6+1/4	4+1/2	11.6	6865	12,115	930	12,115	7,215

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

33. Comments BHL will be within a 50' radius of stated landing point, while remaining in a legal location from the section and mineral lease lines. The production tubing will be perforated and frac'ed in a legal location with the first perf sleeve set at ±8,230' MD.

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: Christopher A. Noonan

Title: Permit Agent Date: 3/18/2011 Email: bob@banko1.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: 4/21/2011

Permit Number: _____ Expiration Date: 4/20/2013

API NUMBER

05 005 07166 00

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 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 the intermediate casing shoe to a minimum of 200' above Niobrara. Verify cement with a cement bond log.
- 4) If hole is abandoned with production liner cemented, then set 40 sks cement in casing at the intermediate casing shoe, cut off production casing above top of cement.
- 5) If dry hole without production liner, then set 40 sks cement in open hole 50' above Niobrara top.
- 6) With either 4 or 5 above, set 50 sks cement ½ out, ½ in surface casing, 10 sks cement top of surface casing, cut 4' below ground level, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole.
- 7) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. 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
400143324	FORM 2 SUBMITTED
400143640	EQUIPMENT LIST
400143641	WELL LOCATION PLAT
400143642	ACCESS ROAD MAP
400144258	DEVIATED DRILLING PLAN
400144259	DEVIATED DRILLING PLAN
400144260	FORM 2A
400144261	DRILLING PLAN

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	This well will not need a pooling agreement.	3/28/2011 11:23:30 AM
Permit	On hold Multiple leasehold makes up the well path. May need a pooling agreement.	3/22/2011 5:57:12 AM

Total: 2 comment(s)

BMP

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

Total: 0 comment(s)