

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 |
|----|----|----|----|

Document Number:

400134600

Plugging Bond Surety

20050105

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: ST. JAMES ENERGY OPERATING INC

4. COGCC Operator Number: 10131

5. Address: 11177 EAGLE VIEW DR STE 1

City: SANDY State: UT Zip: 84092

6. Contact Name: Kent Moore Phone: (970)301-0291 Fax: (970)378-8623

Email: nick.callaway@lra-inc.com

7. Well Name: Dyer Well Number: 2-2

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

9. Proposed Total Measured Depth: 7300

WELL LOCATION INFORMATION

10. QtrQtr: SWNW Sec: 2 Twp: 6N Rng: 64W Meridian: 6

Latitude: 40.517110 Longitude: -104.524280

Footage at Surface: 1982 feet FNL/FSL 680 feet FEL/FWL FNL FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4791 13. County: WELD

14. GPS Data:

Date of Measurement: 05/29/2008 PDOP Reading: 1.9 Instrument Operator's Name: J. Rhoten

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: 525 ft

18. Distance to nearest property line: 680 ft 19. Distance to nearest well permitted/completed in the same formation: 1390 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 | CODL | 407-87 | 80 | W/2, NW/4 |
| Niobrara | NBRR | 407-87 | 80 | W/2, NW/4 |

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#: 20070026

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 map

25. Distance to Nearest Mineral Lease Line: 640 ft 26. Total Acres in Lease: 240

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 | 830 | 565 | 830 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 7,300 | 760 | 7,300 | 0 |

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

33. Comments No conductor casing will be set

34. Location ID: 302470

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: Dan Hull

Title: Project Manager Date: 4/19/2011 Email: dan.hull@lra-inc.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: _____ Director of COGCC Date: _____

API NUMBER

05 123 29187 00

Permit Number: _____ Expiration Date: _____

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.

| |
|--|
| |
|--|

Attachment Check List

| Att Doc Num | Name |
|-------------|--------------------|
| 400151848 | WELL LOCATION PLAT |
| 400156020 | LEASE MAP |

Total Attach: 2 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | |

Total: 0 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------------------|---|
| Drilling/Completion Operations | All casing will be cemented to surface. |

Total: 1 comment(s)