


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
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APPLICATION FOR PERMIT TO:			Document Number: 400139044 Plugging Bond Surety 20110060				
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 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>VAL ENERGY INC</u>		4. COGCC Operator Number: <u>100679</u>					
5. Address: <u>200 WEST DOUGLAS #520</u> City: <u>WICHITA</u> State: <u>KS</u> Zip: <u>67202</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>Cathcart</u>		Well Number: <u>1-5</u>					
8. Unit Name (if appl): _____		Unit Number: _____					
9. Proposed Total Measured Depth: <u>5100</u>							
WELL LOCATION INFORMATION							
10. QtrQtr: <u>SWSW</u> Sec: <u>5</u> Twp: <u>23S</u> Rng: <u>41W</u> Meridian: <u>6</u> Latitude: <u>38.073410</u> Longitude: <u>-102.061290</u>							
Footage at Surface: <u>660</u> feet FNL/FSL <u>660</u> feet FEL/FWL <u>660</u> feet							
11. Field Name: <u>Wildcat</u>		Field Number: <u>99999</u>					
12. Ground Elevation: <u>3456</u>		13. County: <u>PROWERS</u>					
14. GPS Data: Date of Measurement: <u>02/18/2011</u> PDOP Reading: <u>2.5</u> Instrument Operator's Name: <u>Keith Westfall</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>2384 ft</u>							
18. Distance to nearest property line: <u>660 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.)			
Atoka	ATOK						
Cherokee	CHRK						
Mississippian-Morrow	MS-MW						

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):
See attached Lease Map

25. Distance to Nearest Mineral Lease Line: _____ 660 ft 26. Total Acres in Lease: _____ 196

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

Method: ☐ Land Farming ☐ Land Spreading ☐ Disposal Facility Other: Evaporate and backfill.

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	800	450	800	0
1ST	7+7/8	5+1/2	15.5	0	5,100	150	5,100	4,450

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

33. Comments No conductor casing will be set on this well. All footages 5280' are 1 mile or greater.

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: 4/5/2011 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. Neslin Director of COGCC Date: 4/27/2011

API NUMBER

05 099 06912 00

Permit Number: _____ Expiration Date: 4/26/2013

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 48 hour notice of MIRU to Craig Quint at 719-767-8939 or e-mail at craig.quint@state.co.us.
- 2) Set at least 800' of surface casing per Rule 317d,e,f,. Cement to surface. Or set 575' of surface casing as originally proposed and stage cement production casing from 800' up into surface casing shoe. (base of Cheyenne-Dakota aquifer is at approx. 750').
- 3) If production casing is set provide cement coverage to at least 200' above shallowest completed interval and as described in COA #2.
- 4) If dry hole set 40 sks cement +/-50' above the Cherokee top, 40 sks cement above any DST zone w/ show, 40 sks cement at 800' up or from 50' below surface casing shoe up into surface casing (whichever is deeper), 15 sks cement at top of surface csg, cut 4 ft below GL, weld on plate, 5 sks cement in rat hole and mouse hole.

Attachment Check List

Att Doc Num	Name
2111523	SURFACE CASING CHECK
400139044	FORM 2 SUBMITTED
400140177	LEASE MAP
400140179	PLAT
400150406	30 DAY NOTICE LETTER

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Per our conversation, void the legal description noted and use the shaded plat for the legal. Todd Allam, President VAL Energy Inc. BY	4/25/2011 3:01:45 PM
Permit	Lease description does not match lease map. Contacted Todd Allam of Val Energy to verify. He will review and email me the results. BY Todd Allam of Val Energy requested a review of this 2 and teh 2A as they have access to a rig but it would required the pad work to be started next week. The LGD and Public period is due 4/26/11. BY	4/25/2011 2:21:36 PM

Total: 2 comment(s)

BMP

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

Total: 0 comment(s)