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Document Number:

400147968

Plugging Bond Surety

20070074

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: LARAMIE ENERGY II, LLC 4. COGCC Operator Number: 10232

5. Address: 1512 LARIMER ST STE 1000
City: DENVER State: CO Zip: 80202

6. Contact Name: Wayne P. Bankert Phone: (970)683-5419 Fax: (303)339-4399
Email: wbankert@laramie-energy.com

7. Well Name: Hawxhurst Well Number: 17-05B

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

9. Proposed Total Measured Depth: 12186

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 17 Twp: 9S Rng: 94W Meridian: 6
Latitude: 39.279060 Longitude: -107.912630

Footage at Surface: 1832 feet FNL/FSL 386 feet FEL/FWL
FNL FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 6787 13. County: MESA

14. GPS Data:

Date of Measurement: 01/12/2011 PDOP Reading: 2.3 Instrument Operator's Name: Dave Murrey

15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1832 FNL 653 FWL 1832 FNL 653 FWL
Bottom Hole: FNL/FSL 1832 FNL 653 FWL
Sec: 17 Twp: 9S Rng: 94W Sec: 17 Twp: 9S Rng: 94W

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: 2850 ft

18. Distance to nearest property line: 386 ft 19. Distance to nearest well permitted/completed in the same formation: 6978 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.)
Mancos	MNCS			

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 Lease Exhibit

25. Distance to Nearest Mineral Lease Line: 653 ft 26. Total Acres in Lease: 1660

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	26+0/0	16+0/0	42.0	0	40	78	40	0
SURF	14+3/4	9+5/8	32.3	0	1,500	786	1,500	0
1ST	8+3/4	7+0/0	23.0	0	7,600	900	8,000	1,300
2ND	6+1/4	4+1/2	15.1	0	12,186	350	12,186	7,400

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

33. Comments No improvements within 200' of wellhead. Closed drilling system to be incorporated.

34. Location ID: 422420

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: Wayne P.

Title: Bankert Date: 3/31/2011 Email: wbankert@laramie-energy.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: 5/19/2011

API NUMBER

05 077 10159 00

Permit Number: _____ Expiration Date: 5/18/2013

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) OPERATOR MUST ENSURE 110 PERCENT SECONDARY CONTAINMENT FOR ANY VOLUME OF FLUIDS CONTAINED AT WELL-SITE DURING DRILLING AND COMPLETION OPERATIONS. IF FLUIDS ARE CONVEYED VIA PIPELINE, OPERATOR MUST IMPLEMENT BEST-MANAGEMENT-PRACTICES TO CONTAIN ANY UNINTENTIONAL RELEASE OF FLUIDS.

(3) THE MOISTURE CONTENT OF ANY DRILL CUTTINGS IN A CUTTINGS PIT, TRENCH, OR PILE SHALL BE AS LOW AS PRACTICABLE TO PREVENT ACCUMULATION OF LIQUIDS GREATER THAN DE-MINIMIS AMOUNTS. AT THE TIME OF CLOSURE, THE DRILL CUTTINGS MUST ALSO MEET THE APPLICABLE STANDARDS OF TABLE 910-1.

(4) NO PORTION OF ANY PIT THAT WILL BE USED TO HOLD LIQUIDS SHALL BE CONSTRUCTED ON FILL MATERIAL, UNLESS THE PIT AND FILL SLOPE ARE DESIGNED AND CERTIFIED BY A PROFESSIONAL ENGINEER, SUBJECT TO REVIEW AND APPROVAL BY THE DIRECTOR PRIOR TO CONSTRUCTION OF THE PIT. THE CONSTRUCTION AND LINING OF THE PIT SHALL BE SUPERVISED BY A PROFESSIONAL ENGINEER OR THEIR AGENT. THE ENTIRE BASE OF THE PIT MUST BE IN CUT.

(5) THE SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 122 FEET DEEP.

Attachment Check List

Att Doc Num	Name
400147968	FORM 2 SUBMITTED
400147997	WELL LOCATION PLAT
400147998	DEVIATED DRILLING PLAN
400148000	LEASE MAP

Total Attach: 4 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>

Total: 0 comment(s)