

<b>FORM</b> <b>2</b> Rev 12/05	State of Colorado <b>Oil and Gas Conservation Commission</b> 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:**

1.  **Drill,**     Deepen,     Re-enter,     Recomplete and Operate

2. TYPE OF WELL

OIL     GAS     COALBED     OTHER \_\_\_\_\_  
 SINGLE ZONE     MULTIPLE ZONE     COMMINGLE ZONE

Refiling   
 Sidetrack

Document Number:  
 400134600  
 Plugging Bond Surety  
 20050105

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 FNL    680 feet    FEL/FWL 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

**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/2NW4
Niobrara	NBRR	407-87	80	W/2NW4

**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#: 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: David S. Neslin Director of COGCC Date: 5/19/2011

API NUMBER Permit Number: \_\_\_\_\_ Expiration Date: 5/18/2013

05 123 29187 00

**CONDITIONS OF APPROVAL, IF ANY:**

**IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.**

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 Bo Brown at 970-397-4124 or e-mail at bo.brown@state.co.us.   |
| 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. |

**Attachment Check List**

Att Doc Num	Name
1771007	SURFACE CASING CHECK
400134600	FORM 2 SUBMITTED
400151848	WELL LOCATION PLAT
400156020	LEASE MAP

Total Attach: 4 Files

**General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>
Permit	Bmp not added to tab, back to draft	4/22/2011 9:11:12 AM
Permit	Back to draft for BMP's to be add to tab; formation code corrections, and location ID missing. sf	4/20/2011 2:21:36 PM

Total: 2 comment(s)

**BMP**

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

Total: 1 comment(s)