

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

21. Mineral Ownership: Fee State Federal Indian Lease #: 8733.5
22. Surface Ownership: Fee State Federal Indian
23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID#: 20100120
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 Bond \$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):
LOTS 1-4, S2NE, SENW, E2SW
25. Distance to Nearest Mineral Lease Line: 601 ft 26. Total Acres in Lease: 494

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: Evaporation and Burial
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	13+1/2	9+5/8	36		2,250	639	2,250	0
1ST	8+3/4	7+0/0	29		9,006	180	9,006	7,257
1ST LINER	6+0/0	4+1/2	11.6		12,785			

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None
33. Comments No conductor casing will be set. The distance to the nearest well completed in the same formation, building, public road, above ground utility, and railroad is greater than one mile from this location.

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: Venessa Langmacher
Title: Regulatory Supervisor Date: 9/28/2010 Email: vllpermitco@aol.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: 10/28/2010

API NUMBER **05 123 32459 00** Permit Number: _____ Expiration Date: 10/27/2012

CONDITIONS OF APPROVAL, IF ANY: _____

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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) Note surface casing setting depth change from 2044' to 2250'. Increase cement coverage accordingly.
- 2) Provide 24 hour notice of MIRU to Ed Binkley at 970-506-9834 or e-mail at ed.binkley@state.co.us
- 3) Comply with Rule 317.i and provide cement coverage from end of production casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 4) Run and submit Directional Survey from TD to base of surface casing. The operator shall comply with Rule 321, and it shall be the operator's responsibility to 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
400095333	APD APPROVED
400095602	DEVIATED DRILLING PLAN
400095603	DEVIATED DRILLING PLAN
400095604	DRILLING PLAN
400095605	WELL LOCATION PLAT
400104518	FORM 2 SUBMITTED

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Per Venessa Langmacher, change lease description from (E2SW, NE, NWNW, E2NW -- 360 acres) to (LOTS 1-4, S2NE, SENW, E2SW -- 494 acres). PVG	10/26/2010 3:26:02 PM
Permit	ON HOLD. Lease Description is inconsistent with GIS and is insufficient to support minimum lease line set back. Requested clarification from Venessa Langmacher. Application otherwise ready to pass. PVG	10/26/2010 3:24:34 PM
Permit	Surface Restoration Bond on file with SLB; per Tim Kelly	10/22/2010 11:39:21 AM
Permit	ON HOLD. Waiting on confirmation that surface restoration bond is on file with State Land Board. PVG	10/13/2010 5:51:57 PM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)