


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: 1636639 Plugging Bond Surety 19910030				
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>BLUE CHIP OIL INC</u>		4. COGCC Operator Number: <u>8840</u>					
5. Address: <u>155 E BOARDWALK DR STE 400</u> City: <u>FORT COLLINS</u> State: <u>CO</u> Zip: <u>80525</u>							
6. Contact Name: <u>TIM HAGER</u> Phone: <u>(970)493-6456</u> Fax: <u>(970)232-3051</u> Email: <u>BLUECHIPOIL@MSN.COM</u>							
7. Well Name: <u>NORTH POUDRE</u>		Well Number: <u>2-30</u>					
8. Unit Name (if appl): _____		Unit Number: _____					
9. Proposed Total Measured Depth: <u>7901</u>							
WELL LOCATION INFORMATION							
10. QtrQtr: <u>NENE</u> Sec: <u>30</u> Twp: <u>6N</u> Rng: <u>66W</u> Meridian: <u>6</u> Latitude: <u>40.464160</u> Longitude: <u>-104.813910</u>							
Footage at Surface: <u>689</u> feet FNL/FSL <u>FNL</u> <u>663</u> feet FEL/FWL <u>FEL</u>							
11. Field Name: <u>BRACEWELL</u>		Field Number: <u>7487</u>					
12. Ground Elevation: <u>4735</u>		13. County: <u>WELD</u>					
14. GPS Data: Date of Measurement: <u>05/23/2011</u> PDOP Reading: <u>2.0</u> Instrument Operator's Name: <u>C. VANMATRE</u>							
15. If well is <input checked="" 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 <u>1980</u> <u>FNL</u> <u>663</u> <u>FEL</u> <u>1980</u> <u>FNL</u> <u>663</u> <u>FEL</u> Sec: <u>30</u> Twp: <u>6N</u> Rng: <u>66W</u> Sec: <u>30</u> Twp: <u>6N</u> Rng: <u>66W</u>							
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>122 ft</u>							
18. Distance to nearest property line: <u>663 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>1291 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.)			
CODELL/NIOBRARA	NB-CD	407-87	80	E/2 NE/4			
J-SAND	JSND		80	E/2 NE/4			

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 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):
T6N-R66W: SECTION 30: E/2 NE/4

25. Distance to Nearest Mineral Lease Line: _____ 660 ft _____ 26. Total Acres in Lease: _____ 80 _____

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	400	175	400	0
1ST	7+7/8	4+1/2	11.6	0	7,901	290	7,901	6,770

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

33. Comments NO CONDUCTOR CASING WILL BE SET IN THE SUBJECT WELL. Rig height is 75' per operator.

34. Location ID: 323515

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: JOE MAZOTTI

Title: REGULATORY AGENT FOR BLUE Date: 5/27/2011 Email: OGP-CO@COMCAST.NET

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: 6/29/2011

API NUMBER

05 123 33823 00

Permit Number: _____ Expiration Date: 6/28/2013

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.

Wellhead is 122' to the nearest building and the rig height is 75', the rig used to drill the subject well must not have a derrick height of greater than 2/3rds of 122 feet or 81 feet.

- 1) Note surface casing setting depth change from 302' to 400'. Increase cement coverage accordingly and cement to surface.
- 2) Provide 24 hour notice of MIRU to Bo Brown at e-mail bo.brown@state.co.us.
- 3) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 4) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. 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
1636639	APD ORIGINAL
1636640	WELL LOCATION PLAT
1636641	TOPO MAP
1636642	30 DAY NOTICE LETTER
1636643	DEVIATED DRILLING PLAN
1636644	EXCEPTION LOC REQUEST
1636645	EXCEPTION LOC WAIVERS

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	According to the operator: The building 122' from the well location is a metal storage shed. It's not part of the location, in discussions with the surface owner he says its no longer used and is for the most part empty. per Joe Mazotti.	6/29/2011 11:03:58 AM
Permit	Please confirm of what type of buildings are 122' from wellhead. Please see Rule 603.a.(1) and please provide the appropriate distance and rig height.	6/15/2011 8:45:10 AM
Permit	Missing plugging bond and location id	6/7/2011 8:28:19 AM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)