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Document Number:  
400182725

PluggingBond SuretyID  
20090025

**APPLICATION FOR PERMIT TO:**

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

2. TYPE OF WELL  
 OIL  GAS  COALBED  OTHER \_\_\_\_\_  
 SINGLE ZONE  MULTIPLE  COMMINGLE

Refiling   
 Sidetrack

3. Name of Operator: AUGUSTUS ENERGY PARTNERS LLC 4. COGCC Operator Number: 10275  
 5. Address: P O BOX 250  
 City: WRAY State: CO Zip: 80758  
 6. Contact Name: Loni Davis Phone: (970)332-3585 Fax: (970)332-3587  
 Email: ldavis@augustusenergy.com  
 7. Well Name: Gardner Trust Well Number: 23-17 2N46W  
 8. Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_  
 9. Proposed Total Measured Depth: 2825

**WELL LOCATION INFORMATION**

10. QtrQtr: NESW Sec: 17 Twp: 2N Rng: 46W Meridian: 6  
 Latitude: 40.137970 Longitude: -102.541850  
 Footage at Surface: 1542 feet FSL 1666 feet FWL  
 11. Field Name: Wildcat Field Number: 99999  
 12. Ground Elevation: 3943 13. County: YUMA

14. GPS Data:  
 Date of Measurement: 06/21/2011 PDOP Reading: 2.5 Instrument Operator's Name: Neal McCormick

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: 1534 ft  
 18. Distance to nearest property line: 1103 ft 19. Distance to nearest well permitted/completed in the same formation: 706 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.)
Niobrara	NBRR			

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):

2N46W, Sec 17: SW/4

25. Distance to Nearest Mineral Lease Line: 976 ft 26. Total Acres in Lease: 160

### 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	9+7/8	7	17	1	530	220	530	0
1ST	6+1/4	4+1/2	10.5	1	2,825	75	2,825	2,025

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

33. Comments No Conductor Casing will be used

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: Loni J. Davis

Title: Oper Acctg & Reg Spec Date: 7/18/2011 Email: ldavis@augustusenergy.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. Nesline Director of COGCC Date: 8/26/2011

<b>API NUMBER</b>
05 125 11985 00

Permit Number: \_\_\_\_\_ Expiration Date: 8/25/2013

**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 24 hr notice of spud to Colby Horton at 970-467-2517 or e-mail at colby.horton@state.co.us.
- 2) Set at least 530' of surface casing per Rule 317d due to WW depths. Setting depth must also be at least 50' into Pierre Shale. Cement to surface.
- 3) If completed, provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 4) If dry hole, set 35 sks cement 50' above Niobrara top, 35 sks cement ½ out, ½ in surface casing, 10 sks cement at top of surface casing, cut casing 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole.

### Attachment Check List

Att Doc Num	Name
400182725	FORM 2 SUBMITTED
400185900	PLAT
400185902	SURFACE AGRMT/SURETY
400185903	30 DAY NOTICE LETTER
400185904	TOPO MAP

Total Attach: 5 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Yes I agree with you. I'm guessing you are talking about the short stretch of road 39.5 to the NW of the location? I come up with around 1,100 + feet. Loni	8/23/2011 5:34:36 AM
Permit	Nearest public road appears to be about 1041 not the 1534' as stated. Emailed Loni Davis for clarification. BY	8/22/2011 3:01:59 PM

Total: 2 comment(s)

### BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	<p>Best Management Practices (BMP's) will be reviewed and maintained prior to, during and after construction of drilling site, laying of flowlines, installation of surface equipment and reclamation of site. Each location's BMP's will vary according to terrain and phase of construction and will be implemented in accordance to SWMP.</p> <p>Regular location inspections will be performed and any BMP's not effectively working will be documented and resolved in a timely manner.</p> <p>Spill Prevention, Control and Countermeasures will be implemented. Should any spills occur they will be cleaned up immediately and effectively to minimize any integration with storm water runoff. General good housekeeping practices will be performed to keep spills at a minimum.</p>

Total: 1 comment(s)