

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



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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 ☐

Document Number:

400160143

PluggingBond SuretyID

20090029

3. Name of Operator: HRM RESOURCES LLC

4. COGCC Operator Number: 10273

5. Address: 555 17TH STREET #950

City: DENVER State: CO Zip: 80202

6. Contact Name: CLAYTON DOKE Phone: (970)669-7411 Fax: (970)669-4077

Email: clay.doke@gmail.com

7. Well Name: STATE Well Number: 44-16

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

9. Proposed Total Measured Depth: 10716

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 16 Twp: 6N Rng: 90W Meridian: 6

Latitude: 40.471600 Longitude: -107.488450

Footage at Surface: 666 feet FNL/FSL 661 feet FEL/FWL FEL

11. Field Name: BUCK PEAK Field Number: 7675

12. Ground Elevation: 6416 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 04/22/2011 PDOP Reading: 1.5 Instrument Operator's Name: B. POWERS

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

Footage at Top of Prod Zone: FNL/FSL 1068 FSL 1847 FEL/FWL 2031 FSL 650 FWL 650
Sec: 16 Twp: 6N Rng: 90W Sec: 16 Twp: 6N Rng: 90W

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: 2921 ft

18. Distance to nearest property line: 661 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1333 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.)
NIOBRARA	NBRR		320	S/2

21. Mineral Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian Lease #: 70-8384-S

22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian

23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#: 20080120

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):

Township 6 North, Range 90 West, Section 16: S/2 & S/2 NW/4

25. Distance to Nearest Mineral Lease Line: 661 ft

26. Total Acres in Lease: 400

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: dried in place

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	9+5/8	36	0	520	490	520	0
1ST	8+3/4	7	23	0	7,520	100	7,520	5,715
1ST LINER	6+1/4	5+1/2	17	7450	10,716			

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

33. Comments No conductor casing will be run.

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: CLAYTON DOKE

Title: ENGINEER

Date: 5/31/2011

Email: cdoke@petersonenergy.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: 9/13/2011

API NUMBER

05 081 07675 00

Permit Number: _____ Expiration Date: 9/12/2013

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) CEMENT ON PRODUCTION CASING MUST BE AT LEAST 200' ABOVE TOP OF FT. UNION AND COMPLY WITH RULES 209 AND 317.I. SEGREGATE OIL, GAS, AND FRESH-WATER-BEARING ZONES AND PROTECT COAL SEAMS. VERIFY TOP WITH CBL.

(3) THE SURFACE CASING SHOULD BE 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 200 FEET DEEP. THE ORIGINALLY PROPOSED SURFACE CASING OF 330 FEET WILL HAVE TO BE INCREASED TO 520 FEET TO ACCOMMODATE THIS REQUIREMENT.

Attachment Check List

Att Doc Num	Name
400160143	FORM 2 SUBMITTED
400170068	PLAT
400170345	DEVIATED DRILLING PLAN

Total Attach: 3 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Agency	Surface owner comments have been addressed; COGCC will continue soils investigation efforts near the injection well (Buck Peak State 1-16, SWNE, Section 16, Township 6 North, Range 90 West, Moffat County; API #05-081-06178) and nearby alfalfa crop area.	9/13/2011 4:52:30 PM
Permit	State Land BoardSherry Lee verifies validity of lease to state minerals in sec. 16, QEP Energy Company being basic lease holder and HRM farming in.	8/25/2011 8:30:35 AM
Permit	ON HOLD pending resolution of surface owner issue.	3/4/2011 1:43:20 PM
Permit	Clayton Dokes/HRM verifies that HRM has lease(s) for entire section 16. He agreed to change lease number on line 20 to read 70-8384-S.	8/4/2011 12:47:29 PM
Engineer	this APD has wellsite elev @ 6416'. JK thinks G L is ~ 6680'. revised surface casing depth based on the GL of 6680'.	6/13/2011 2:29:48 PM

Total: 5 comment(s)

BMP

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

Total: 0 comment(s)