

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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Document Number:

400159983

PluggingBond SuretyID

20090029

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: 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: 12-16

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

9. Proposed Total Measured Depth: 7600

WELL LOCATION INFORMATION

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

Latitude: 40.479280 Longitude: -107.502760

Footage at Surface: 2011 feet FNL 666 feet FWL

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: 1.8 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 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: 1036 ft

18. Distance to nearest property line: 666 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1328 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		40	SWNW

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: 666 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	680	660	680	0
1ST	8+3/4	7	23	0	6,480	100	6,480	5,715
1ST LINER	6+1/4	5+1/2	17	6400	7,600			

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 07676 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 640 FEET DEEP. THE ORIGINALLY PROPOSED SURFACE CASING OF 330 FEET WILL HAVE TO BE INCREASED TO 680 FEET TO ACCOMMODATE THIS REQUIREMENT.

Attachment Check List

Att Doc Num	Name
400159983	FORM 2 SUBMITTED
400163709	PLAT

Total Attach: 2 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 4:50:32 PM
Permit	State Land Board/Sherry Lee verifies QEP Energy Company to be leaseholder to State minerals in Sec. 16, with HRM Operating Co. farming in.	8/25/2011 8:36:50 AM
Permit	ON HOLD pending resolution of surface owner issue.	3/4/2011 1:40:11 PM
Permit	Clayton Doakes/HRM verifies that HRM has lease(s) for entire section 16. Dokes agreed to change line 20 to read 70-8384-S.	8/4/2011 12:50:30 PM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)