

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:
400160114

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: 22-16

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

9. Proposed Total Measured Depth: 7600

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 16 Twp: 6N Rng: 90W Meridian: 6
Latitude: 40.479170 Longitude: -107.497970

Footage at Surface: _____ feet FNL/FSL _____ feet FEL/FWL _____ feet

11. Field Name: BUCK PEAK Field Number: 7675

12. Ground Elevation: 6463 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: _____ feet FNL/FSL _____ feet FEL/FWL _____ feet

Bottom Hole: _____ feet FNL/FSL _____ feet FEL/FWL _____ feet

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: 1998 ft

18. Distance to nearest property line: 1998 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1288 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		40	SENW

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: 660 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+3/4	8+5/8	36	0	725	685	725	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 07677 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 725 FEET TO ACCOMMODATE THIS REQUIREMENT.

Attachment Check List

Att Doc Num	Name
400160114	FORM 2 SUBMITTED
400168895	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 4:51:33 PM
Permit	State Land Board/Sherry Lee verifies QEP Energy Company to be leaseholder to State minerals in Sec. 16, with HRM Operating Company farming in.	8/25/2011 8:34:46 AM
Permit	ON HOLD pending resolution of surface owner issue.	3/4/2011 1:42:01 PM
Permit	Clayton Dokes w/HRM verifies that HRM has lease(s) for entire section 16. With his approval, changed lease # in line 20 to 70-8384-S.	8/4/2011 12:44:36 PM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)