

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



DE	ET	OE	ES
Document Number: 400209391			
PluggingBond SuretyID 20110103			

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: NAVEX RESOURCES LLC 4. COGCC Operator Number: 10360
5. Address: 4925 GREENVILLE AVENUE #915
City: DALLAS State: TX Zip: 75206
6. Contact Name: Sarah Putman Phone: (214)3462201 Fax: (214)3738035
Email: smontgomery@trekresources.com
7. Well Name: State 16 Well Number: 1
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 5600

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 16 Twp: 19S Rng: 50W Meridian: 6
Latitude: 38.402060 Longitude: -103.022470

Footage at Surface: 2108 feet FNL/FSL 692 feet FEL/FWL
FSL FWL

11. Field Name: WILDCAT Field Number: 99999
12. Ground Elevation: 4446 13. County: KIOWA

14. GPS Data:

Date of Measurement: 08/08/2011 PDOP Reading: 2.5 Instrument Operator's Name: Keith Westfall

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: 692 ft

18. Distance to nearest property line: 692 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2712 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.)
Mississippi	MSSP			
Morrow	MRRW			

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):

Sec 16, T19S, R50W

25. Distance to Nearest Mineral Lease Line: 692 ft

26. Total Acres in Lease: 640

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	450	225	450	
1ST	7+7/8	5+1/2	15.5	0	5,698	180	5,700	4,400
S.C. 1.1							1,500	900

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

33. Comments No conductor csg will be set

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: Conrad Mirochna

Title: Sr VP

Date: 9/28/2011

Email: conrad@trekresources.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: 10/17/2011

API NUMBER

05 061 06866 00

Permit Number: _____ Expiration Date: 10/16/2013

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 hour notice of MIRU to Craig Quint at 719-767-8939 or e-mail at craig.quint@state.co.us.
- 2) If production casing is set provide cement coverage to at least 200' above the shallowest completed interval or Morrow, whichever is shallower and stage cement Cheyenne/Dakota (1500'-900' minimum). Run and submit CBL to verify cemented intervals.
- 3) If well is a dry hole set plugs at the following depths: 40 sks cement +/- 50' above the Cherokee, 40 sks cement across any DST w/ show, 40 sks cement 100' below Cheyenne (1500' up), 40 sks cement 50' above top of Dakota (900' up), 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface casing, cut 4 ft below GL, weld on plate, 5 sks cement each in rat hole and mouse hole.

Attachment Check List

Att Doc Num	Name
1792331	CORRESPONDENCE
1792334	WAIVERS
1792335	CORRESPONDENCE
1792339	CORRESPONDENCE
400209391	FORM 2 SUBMITTED
400209436	WAIVERS
400209437	SURFACE AGRMT/SURETY
400209438	TOPO MAP
400212908	30 DAY NOTICE LETTER
400212948	WELL LOCATION PLAT

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Agency	Operator has requested exigent circumstances for early permit approval, request and waivers are attached.	10/17/2011 5:16:14 PM
Permit	Final review completed. NLP	10/17/2011 2:36:19 PM
Permit	Bill, We are ok with Navex and their drilling this well.Tim . See attachment. BY	10/17/2011 2:35:07 PM
Permit	Navex Resources holds the entire section 16 of T19S, R50W through two state leases that cover the N/2 and S/2 of this section. I respectfully request that you remove the phrase "see attached" from the line 23 information referenced by your earlier email to Sarah. Thanks so much for your help.Regards,Rob Helbing	10/17/2011 1:39:12 PM
Permit	Received email from LGD Debra C. Lening waiving the 20 day comment period. BY	10/17/2011 1:38:04 PM
Permit	Requested the "attached" lease map or description from Navex. Requested verification of bonding from State Land Board. Requested Dirk Sutphin review the engineering as soon as possible with the exigent circumstances situation in mind. BY	10/14/2011 1:00:26 PM
Permit	Returned to draft. •Are the zones going to be comingled? •Enter the plugging bond surety ID number. •Enter a well location please note for an unnamed field the name is WILDCAT and the number is 99999 •Please answer question #19 •If you answer question 22 as yes then you do not need to (and shouldn't) answer question 22b •Answer question #25 •Answer question #36 •If not using conductor casing please state so in the operator comments. If you are using conductor casing please input that information into the casing tab. •Attach a well location plat (required attachment)	9/28/2011 2:07:49 PM

Total: 7 comment(s)

BMP

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

Total: 0 comment(s)