

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

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:

400206212

PluggingBond SuretyID

20110161

3. Name of Operator: DJ PRODUCTION SERVICES INC

4. COGCC Operator Number: 22400

5. Address: 1273 FALCON COURT

City: WINDSOR State: CO Zip: 80550

6. Contact Name: Jeff Reale Phone: (303)947-1387 Fax: ()

Email: lam53@msn.com

7. Well Name: Nelson Well Number: 5-22

8. Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

9. Proposed Total Measured Depth: 7750

WELL LOCATION INFORMATION

10. QtrQtr: nenw Sec: 5 Twp: 4n Rng: 67w Meridian: 6

Latitude: 40.345980 Longitude: -104.919190

Footage at Surface: 1119 feet FNL/FSL 1295 feet FEL/FWL  
FNL FWL

11. Field Name: Johnstown Field Number: 42600

12. Ground Elevation: 4850 13. County: WELD

14. GPS Data:

Date of Measurement: 08/26/2011 PDOP Reading: 2.0 Instrument Operator's Name: C VANMATRE

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  
1924 FNL 1833 FWL 1924 FNL 1833 FWL  
Sec: 5 Twp: 4n Rng: 67w Sec: 5 Twp: 4n Rng: 67w

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: 296 ft

18. Distance to nearest property line: 150 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 919 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=Codell	NB-CD	407-87	80	S/2 NW/4

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):

N/2 sec 5 T4N R67W 320 acres

25. Distance to Nearest Mineral Lease Line: 676 ft

26. Total Acres in Lease: 320

### 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	500	360	500	0
1ST	7+7/8	4+1/2	11.6	0	7,750	550	7,750	3,000

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

33. Comments No conductor casing will be set. SUA is attached.

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: Jeff Reale

Title: Agent Date: 9/23/2011 Email: lam53@msn.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: 10/20/2011

#### API NUMBER

05 123 34589 00

Permit Number: \_\_\_\_\_ Expiration Date: 10/19/2013

#### 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 Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Shannon to 200' above Shannon. Verify coverage with cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

### Attachment Check List

Att Doc Num	Name
400206212	FORM 2 SUBMITTED
400206222	WELL LOCATION PLAT
400206223	LOCATION DRAWING
400206233	TOPO MAP
400206234	HYDROLOGY MAP
400206638	LOCATION DRAWING
400206815	ACCESS ROAD MAP
400208049	DEVIATED DRILLING PLAN
400208050	MULTI-WELL PLAN
400208429	SURFACE AGRMT/SURETY
400208530	LOCATION PHOTO
400208535	LOCATION PHOTO
400208539	LOCATION PHOTO
400208540	LOCATION PHOTO

Total Attach: 14 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Water sampling required. Opr notified. Final review complete.	10/18/2011 11:26:58 AM
Permit	Photo's rec'd and uploaded. Ready to pass pending public comment 10/17/11.	9/29/2011 3:24:12 PM
Permit	Need corrected photos for the Form 2A.	9/27/2011 1:44:33 PM
Permit	Returned to draft. QtrQtr does not match provided lat long. Missing question #36. Unable to open any of the location pictures or the SUA attachment.	9/26/2011 7:16:25 AM

Total: 4 comment(s)

### BMP

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

Total: 0 comment(s)