

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:
400161134

PluggingBond SuretyID
20090055

3. Name of Operator: PETERSON ENERGY OPERATING INC 4. COGCC Operator Number: 68710

5. Address: 2154 W EISENHOWER BLVD
City: LOVELAND State: CO Zip: 80537

6. Contact Name: CLAYTON DOKE Phone: (970)669-7411 Fax: (970)669-4077
Email: cdoke@petersonenergy.com

7. Well Name: 392 VENTURES Well Number: 22SD

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

9. Proposed Total Measured Depth: 8008

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 22 Twp: 6N Rng: 67W Meridian: 6
Latitude: 40.475402 Longitude: -104.880449

Footage at Surface: 1558 feet FNL 2400 feet FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4783 13. County: WELD

14. GPS Data:
Date of Measurement: 05/03/2011 PDOP Reading: 0.7 Instrument Operator's Name: JOSEPH STICE

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

2374 FNL 1432 FEL 2569 FNL 1304 FEL

Sec: 22 Twp: 6N Rng: 67W Sec: 22 Twp: 6N 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: 222 ft

18. Distance to nearest property line: 195 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 877 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.)
CODELL	CODL	407-87	160	GWA
J-SAND	JSND		160	GWA
NIOBRARA	NBRR	407-87	160	GWA

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#: 20090032

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 67 WEST, SECTION 22, N/2

25. Distance to Nearest Mineral Lease Line: 75 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	400	300	400	0
1ST	7+7/8	4+1/2	11.6	0	8,008	275	8,008	6,770

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

33. Comments Pad slot #: 11. No conductor casing will be run. Proposed Spacing unit: S/2NE & N/2SE Section 22 T6N-R67W. Operator requests approval of Rule 318A.a and Rule 318A.e exception location; wellhead is to be located outside of a GWA window and more than 50' from an existing well location, additionally, the well is outside fo the boundary well location provisions for Rule 318A.e. A certification detailing if any objections were received within the 20-day period will be submitted to the COGCC 08/25/11.

34. Location ID: 424350

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: PETROLEUM ENGINEER Date: 8/4/2011 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: 10/27/2011

API NUMBER

05 123 34608 00

Permit Number: _____ Expiration Date: 10/26/2013

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 Bo Brown at e-mail bo.brown@state.co.us.
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. 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
1694522	PROPOSED SPACING UNIT
400161134	FORM 2 SUBMITTED
400180962	EXCEPTION LOC REQUEST
400180963	EXCEPTION LOC WAIVERS
400192436	EXCEPTION LOC WAIVERS
400192437	EXCEPTION LOC REQUEST
400192438	WELL LOCATION PLAT
400192439	PROPOSED SPACING UNIT
400192440	DEVIATED DRILLING PLAN
400192619	PROPOSED SPACING UNIT

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No LGD or public comment received.	10/25/2011 5:00:09 PM
Permit	Received the 30 day certification letter. Ok to pass.	10/25/2011 4:58:13 PM
Permit	ON HOLD: Requesting 20 day cert letters. delayed because new owners requested more time. Sent email 10/14/11 requesting update.	10/18/2011 11:05:12 AM
Permit	ON HOLD: Requesting 20 day cert letter. Operators comments "I am emailing to let you know that recent changes in the ownership have caused us to send out some additional notices. So I will be getting you the documentation related to that soon. Thanks! Clay"	9/1/2011 3:50:47 PM
Permit	Requesting 20 day cert letter.	8/24/2011 11:06:06 AM
Permit	Operator requests approval of a Rule 318Aa and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Request and waivers attached.	8/10/2011 3:32:51 PM
Permit	Changed top of zone from 2569' FNL & 1304' FEL to 2374 FNL & 1432 FEL. Changed Bottom hole from 2374 FNL & 1432 FEL to 2569' FNL & 1304' FEL per operator.	3/8/2011 1:40:55 PM

Total: 7 comment(s)

BMP

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

Total: 0 comment(s)