

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:

400218639

PluggingBond SuretyID

20110203


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: PETRON DEVELOPMENT COMPANY 4. COGCC Operator Number: 69760
5. Address: 1899 W LITTLETON BLVD
City: LITTLETON State: CO Zip: 80120
6. Contact Name: Kallasandra Moran Phone: (303)928-7128 Fax: (303)962-6237
Email: kmoran@petro-fs.com
7. Well Name: Ward Well Number: 3-17
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 2800

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 17 Twp: 3N Rng: 46W Meridian: 6
Latitude: 40.224990 Longitude: -102.539499

| | | | | | |
|---------------------|------|------|---------|------|---------|
| | | | FNL/FSL | | FEL/FWL |
| Footage at Surface: | 1440 | feet | FSL | 2125 | feet |
| | | | | | FWL |

11. Field Name: Buckboard Field Number: 7680
12. Ground Elevation: 3946 13. County: YUMA

14. GPS Data:
- Date of Measurement: 10/16/2011 PDOP Reading: 1.8 Instrument Operator's Name: Ben Milius/PFS

15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

| Footage at Top of Prod Zone: | | | Bottom Hole: | | |
|------------------------------|------|------|--------------|------|------|
| 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: 2105 ft
18. Distance to nearest property line: 521 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1056 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 | 331-2 | 160 | SW4 |

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):

SW4 of Sec. 17, T3N-R46W

25. Distance to Nearest Mineral Lease Line: 515

26. Total Acres in Lease: 160

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: Evaporation and burial

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 | 9+1/8 | 7 | 17 | 0 | 460 | 125 | 460 | 0 |
| 1ST | 6+1/4 | 4+1/2 | 10.5 | 0 | 2,800 | 75 | 2,800 | 2,000 |

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

33. Comments The location does NOT require a variance from any of the rules listed in Rule 306.d. (1). (A). (ii). The location is NOT in a restricted surface occupancy area. The location is NOT a sensitive wildlife habitat area. No conductor casing will be set. Spacing order # is 331-2 & Rule 318B applies.

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: Kallasandra M. Moran

Title: Regulatory Analyst

Date: 10/27/2011

Email: kmoran@petro-fs.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. Nesline

Director of COGCC

Date: 12/15/2011

API NUMBER

05 125 12058 00

Permit Number: _____ Expiration Date: 12/14/2013

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 hr notice of spud to Jim Precup at 303-469-1902 or e-mail at james.precup@ state.co.us.
- 2) If completed, provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) If dry hole, set 35 sks cement 50' above Niobrara top, 35 sks cement ½ out, ½ in surface casing, 10 sks cement at top of surface casing, cut casing 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole.

Attachment Check List

| Att Doc Num | Name |
|-------------|----------------------|
| 400218639 | FORM 2 SUBMITTED |
| 400218686 | PLAT |
| 400218688 | TOPO MAP |
| 400218693 | 30 DAY NOTICE LETTER |

Total Attach: 4 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| Permit | Appropriate bonding documented, see blanket surety 2011-0203. Final review passed 12/13/2011 | 12/13/2011 3:41:22 PM |
| Permit | On hold waiting on proper bonding. 11/30/2011 | 11/29/2011 8:38:39 AM |
| Permit | Per K. Moran 11/28/2011 Distances to property and mineral lease lines are correct. Please correct opr comments to accurately reflect Spacing Order and Rule numbers. | 11/28/2011 3:01:15 PM |
| Permit | Mud disposal changed to evaporation and burial per OGLA and opr. Email to opr to verify distance to property and mineral lease lines and to clarify spacing order and rule description in operator comments. 11/28/2011 NKP | 11/22/2011 4:48:27 PM |

Total: 4 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------------------|--|
| Construction | Remove only the minimum amount of vegetation necessary for the construction of roads and facilities Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation. No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment. |
| Planning | When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources. |
| Site Specific | Fence the well site after drilling to restrict public and wildlife access. Keep well site location, the road, and the pipeline easement free of noxious weeds, litter, and debris. Spray for noxious weeds, and implement dust control, as needed. Operator will not permit the release or discharge of any toxic or hazardous chemicals or wastes on owner's land. Construct and maintain gates or cattle guards where any roads used by operator, its employees, or contractors cross through fences on leased premises. |
| Drilling/Completion Operations | When available and reasonable use a closed-loop drilling system to preclude the use of an earthen reserve pits. |
| Interim Reclamation | Utilize only such area around each producing well as is reasonably necessary. Restore the remainder of the well site location to its original condition within a reasonable time after the completion of operations. All reseeding shall be done with grasses consistent with the rocky mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by owner. |
| Final Reclamation | All surface restoration shall be accomplished to the satisfaction of owner. All reseeding shall be done with grasses consistent with the rocky mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by owner. Final reclamation shall be completed to the reasonable satisfaction of the owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards (BLM/COGCC) |
| Storm Water/Erosion Control | Use water bars, and other measures to prevent erosion and non- source pollution. Implement and maintain BMPs to control storm water runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s). |

Total: 7 comment(s)