

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:
400237150

PluggingBond SuretyID
20060159

3. Name of Operator: BLACK RAVEN ENERGY INC 4. COGCC Operator Number: 10203

5. Address: 1331 17TH STREET - #350
City: DENVER State: CO Zip: 80202

6. Contact Name: JANICE ALDSTADT Phone: (303)308-1330 Fax: (303)308-1590
Email: jaldstadt@blackravenenergy.com

7. Well Name: STATE Well Number: 843-16-14

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

9. Proposed Total Measured Depth: 3000

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 16 Twp: 8N Rng: 43W Meridian: 6
Latitude: 40.659940 Longitude: -102.162860

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

11. Field Name: wildcat Field Number: 99999

12. Ground Elevation: 3677 13. County: PHILLIPS

14. GPS Data:
Date of Measurement: 11/23/2011 PDOP Reading: 2.0 Instrument Operator's Name: KEVIN MCCORMICK

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: 439 ft

18. Distance to nearest property line: 439 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 3129 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 | | | |

21. Mineral Ownership: Fee State Federal Indian Lease #: 7496

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):

TOWNSHIP 8 NORTH RANGE 43 WEST SECTION 16:ALL

25. Distance to Nearest Mineral Lease Line: 439 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: EVAP & 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+7/8 | 7+0/0 | 17 | 12 | 450 | 180 | 450 | 0 |
| 1ST | 6+1/4 | 4+1/2 | 10.5 | 0 | 3,000 | 80 | 3,000 | 1,600 |

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

33. Comments No conductor casing will be used. The perforated interval is estimated to be shallower than 2,500 feet. Surface Owner is not the mineral owner - surface use agreement 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: JANICE ALDSTADT

Title: LANDMAN Date: 1/10/2012 Email: jaldstadt@blackravenenergy.

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. Nashine Director of COGCC Date: 2/5/2012

| |
|-------------------|
| API NUMBER |
| 05 095 06434 00 |

Permit Number: _____ Expiration Date: 2/4/2014

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 COGCC inspector Jim Precup by e-mail at james.precup@state.co.us. Indicate Spud Notice in the subject line and provide the following information: Operator Name, Well Name and Number, API #, Spud Date, Contact Name, Contact Phone #, Email Address.
- 2) Set surface casing at least 50' into Pierre Shale for aquifer coverage, (450' minimum - as proposed).
- 3) If completed, provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 4) 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.

The perforated interval or completed interval must be shallower than 2500 feet in true vertical depth or the well must be 600 feet from a lease and 1200 feet from another well completed or approved in the same formation; unless the permit application contains an approved exception location. Per rule 318a.

Attachment Check List

| Att Doc Num | Name |
|-------------|----------------------|
| 400237150 | FORM 2 SUBMITTED |
| 400237457 | TOPO MAP |
| 400237459 | WELL LOCATION PLAT |
| 400239011 | SURFACE AGRMT/SURETY |

Total Attach: 4 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|-----------------------|
| Permit | No LGD or public comment received; final review completed. | 2/1/2012 6:29:57 AM |
| Permit | Notified the SLB. | 1/11/2012 6:02:54 AM |
| Permit | Operator corrected SHL. This form has passed completeness. | 1/10/2012 11:50:15 AM |
| Permit | Returned to draft at operators request. | 1/10/2012 11:13:41 AM |
| Permit | Returned to draft. SHL is incorrect. | 1/10/2012 10:38:19 AM |
| Permit | Returned to draft. SHL is incorrect. | 1/10/2012 9:26:04 AM |

Total: 6 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|-------------|----------------|
| | |

Total: 0 comment(s)