

**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:  
400225858  
PluggingBond SuretyID

3. Name of Operator: ENTEK GRB LLC      4. COGCC Operator Number: 10323

5. Address: 535 16TH STREET #620  
City: DENVER      State: CO      Zip: 80202

6. Contact Name: Kimberly Rodell      Phone: (303)820-4480      Fax: (303)820-4124  
Email: kim@banko1.com

7. Well Name: SD Federal      Well Number: 24-9 DL

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

9. Proposed Total Measured Depth: 8105

**WELL LOCATION INFORMATION**

10. QtrQtr: NESE      Sec: 24      Twp: 12N      Rng: 89W      Meridian: 6  
Latitude: 40.979350      Longitude: -107.319228

Footage at Surface: 2257 feet      FNL/FSL FSL      431 feet      FEL/FWL FEL

11. Field Name: Slater Dome      Field Number: 77551

12. Ground Elevation: 7050      13. County: MOFFAT

14. GPS Data:  
Date of Measurement: 11/15/2011      PDOP Reading: 2.4      Instrument Operator's Name: Dave Fehringer

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

1689      FSL      712      FEL      1760      FSL      722      FEL

Sec: 24      Twp: 12N      Rng: 89W      Sec: 24      Twp: 12N      Rng: 89W

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: 450 ft

18. Distance to nearest property line: 800 ft      19. Distance to nearest well permitted/completed in the same formation(BHL): 1 mi

**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.)
Frontier	FRTR		40	
Niobrara	NBRR		40	

21. Mineral Ownership:       Fee       State       Federal       Indian      Lease #: COC69112

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):

T12N R89W Sec 24: S2; Sec. 25: NE, S2NW, NWSW, NESE, S2S2

25. Distance to Nearest Mineral Lease Line: 722 ft 26. Total Acres in Lease: 800

### 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
CONDUCTOR	24	16		0	60		60	0
SURF	12+1/4	9+5/8	36	0	2,518	620	2,518	0
1ST	8+3/4	7	23	0	6,598	465	6,598	0
1ST LINER	6+1/8	4+1/2	11.6	0	8,095	210	8,095	6,500

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

33. Comments After parting drill pipe in the originally drilled hole on the SD Federal 24-9DL, a fishing job commenced. The fish consisted of only drill pipe, collars, and a bit. The top of the fish was left at 3,640', and a cement plug was set as a kick-off plug on top of the fish. Top of cement was tagged at 3,166' before the plug was dressed off and the well was sidetracked. On Sept 19, 2011 just prior to reaching TD. Entek encountered excessive drag hole problems. At 6,657' a fracture was encountered and the well became uncontrollable directionally. 7" 23# P-110 casing was set at 6,598' and run to surface. Drilling continued with a 6-1/4" bit to the revised TD of 8,105'. I-80 pipe was set as a liner to 8,105' with a full surface tie back. KOP 3,166'

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: Kimberly Rodell

Title: Permit Agent Date: 11/28/2011 Email: kim@banko1.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: 2/5/2012

**API NUMBER**  
05 081 07624 01

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) THE MOISTURE CONTENT OF ANY DRILL CUTTINGS IN A CUTTINGS PIT, TRENCH, OR PILE SHALL BE AS LOW AS PRACTICABLE TO PREVENT ACCUMULATION OF LIQUIDS GREATER THAN DE-MINIMIS AMOUNTS. AT THE TIME OF CLOSURE, THE DRILL CUTTINGS MUST ALSO MEET THE APPLICABLE STANDARDS OF TABLE 910-1.

(3) NO PORTION OF ANY PIT THAT WILL BE USED TO HOLD LIQUIDS SHALL BE CONSTRUCTED ON FILL MATERIAL, UNLESS THE PIT AND FILL SLOPE ARE DESIGNED AND CERTIFIED BY A PROFESSIONAL ENGINEER, SUBJECT TO REVIEW AND APPROVAL BY THE DIRECTOR PRIOR TO CONSTRUCTION OF THE PIT. THE CONSTRUCTION AND LINING OF THE PIT SHALL BE SUPERVISED BY A PROFESSIONAL ENGINEER OR THEIR AGENT. THE ENTIRE BASE OF THE PIT MUST BE IN CUT.

(4) THE SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1 -MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 00 FEET DEEP.

(5) CEMENT ON PRODUCTION CASING MUST BE AT LEAST 200' ABOVE TOP OF FT. UNION AND COMPLY WITH RULES 209 AND 317.I. SEGREGATE OIL, GAS, AND FRESH-WATER-BEARING ZONES AND PROTECT COAL SEAMS. VERIFY TOP WITH CBL.

### Attachment Check List

Att Doc Num	Name
400225858	FORM 2 SUBMITTED
400227072	DEVIATED DRILLING PLAN
400227073	DEVIATED DRILLING PLAN
400227074	DEVIATED DRILLING PLAN
400227075	WELL LOCATION PLAT

Total Attach: 5 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	sundry for sidetrack approved by eng. LGD/public comments waived. Final Comprehensive Review Status--passed.	2/2/2012 10:43:56 AM
Permit	advised by engineering that NOAV may be issued for failure to get verbal approval for sidetrack. waiting on eng. review of sundry for sidetrack	1/26/2012 8:35:10 AM
Permit	APD ready to approve--waiting on eng. approval of form 4 #2204298	1/9/2012 7:29:16 AM
Permit	off hold--oper. emailed instructions to change footage for nearest min. lease to 722' and dist. to nearest prop. line to 800'.	11/29/2011 2:09:53 PM
Permit	On hold--questions on dist. to nearest min. lease & nearest prop. line. checked commingle box.	11/29/2011 10:41:04 AM

Total: 5 comment(s)

### BMP

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

Total: 0 comment(s)