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|-----------------------------------|----|----|----|
| DE | ET | OE | ES |
| Document Number: 400208175 | | | |
| PluggingBond SuretyID 20110161 | | | |

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: 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: Keto Well Number: 7-44

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

9. Proposed Total Measured Depth: 7650

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 7 Twp: 4n Rng: 67w Meridian: 6
 Latitude: 40.324260 Longitude: -104.927790

Footage at Surface: 1340 feet FNL/FSL FSL 1115 feet FEL/FWL FEL

11. Field Name: Johnstown Field Number: 42600

12. Ground Elevation: 4833 13. County: WELD

14. GPS Data:
 Date of Measurement: 10/31/2011 PDOP Reading: 2.6 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 658 FSL 656 FEL FEL Bottom Hole: FNL/FSL 658 FSL 656 FEL FEL

Sec: 7 Twp: 4n Rng: 67w Sec: 7 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: 717 ft

18. Distance to nearest property line: 1115 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 673 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 /Niobrara | Cd/Nb | 407-87 | 80 | S/2 SE/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):

SE/4 sec7 4N 67W 160 acres

25. Distance to Nearest Mineral Lease Line: 656 ft

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: Cuttings amy be dried and

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+1/1 | 8+5/8 | 24 # | 0 | 700 | 380 | 700 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.5 # | 0 | 7,650 | 550 | 7,650 | 3,000 |

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

33. Comments No conductor casing will be set.Town of Johnstown Use by Special Review Permit approved 1/18/12

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: 2/24/2012 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: _____ Director of COGCC Date: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400208175 | FORM 2 SUBMITTED |
| 400221123 | WELL LOCATION PLAT |
| 400221124 | TOPO MAP |
| 400254951 | DEVIATED DRILLING PLAN |
| 400254952 | DEVIATED DRILLING PLAN |
| 400255530 | SURFACE AGRMT/SURETY |
| 400256255 | DIRECTIONAL DATA |

Total Attach: 7 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | |

Total: 0 comment(s)

BMP

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

Total: 0 comment(s)