

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400208175

Date Received:

02/24/2012

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 INC4. COGCC Operator Number: 224005. Address: 1273 FALCON COURTCity: WINDSOR State: CO Zip: 805506. Contact Name: Jeff Reale Phone: (303)947-1387 Fax: ()Email: lam53@msn.com7. Well Name: Keto Well Number: 7-44

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

9. Proposed Total Measured Depth: 7443

WELL LOCATION INFORMATION

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

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

11. Field Name: Johnstown Field Number: 4260012. Ground Elevation: 4838 13. County: WELD

14. GPS Data:

Date of Measurement: 10/31/2011 PDOP Reading: 2.6 Instrument Operator's Name: C VANMATRE15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 658 FSL 656 FEL 658 FEL/FWL 656 FEL 658
 Sec: 7 Twp: 4n Rng: 67w Sec: 7 Twp: 4n Rng: 67w

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 717 ft18. Distance to nearest property line: 1115 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 673 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.)
Codell /Niobrara	NB-CD	407-87	80	S/2 SE/4

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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 ☐ No23b. 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	7,443	550	7,443	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: 3/21/2012

API NUMBER

05 123 35290 00

Permit Number: _____ Expiration Date: 3/20/2014

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.

Operator must meet water well testing requirements per Rule 318A.

- 1) If well spud after April 1, 2012 submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 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
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>
Permit	This refile is moving the surface location of this well to the Keto Pad 7-43,33,34& 44 multi well pad.	3/21/2012 4:42:13 PM
Permit	Final Review Completed. No LGD or public comment received.	3/21/2012 10:27:34 AM
Permit	OK to pass 3/20/12.	3/2/2012 4:04:18 PM
Permit	ON HOLD: w/o form 2A. OK to pass 3/20/12.	3/2/2012 2:14:36 PM
Permit	Received directional template and footages. document has passed completeness.	2/29/2012 4:15:59 PM
Permit	Returned to draft. Missing directional template and footages.	2/27/2012 6:44:05 AM

Total: 6 comment(s)

BMP

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

Total: 0 comment(s)