

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400274149

Date Received:

04/20/2012

APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COALBED OTHER Lateral
SINGLE ZONE MULTIPLE COMMINGLE

Refiling
Sidetrack

PluggingBond SuretyID

20120037

3. Name of Operator: AUS-TEX EXPLORATION INC

4. COGCC Operator Number: 10412

5. Address: 7985 W 16TH AVENUE

City: LAKEWOOD State: CO Zip: 80214

6. Contact Name: Lisa Smith Phone: (303)857-9999 Fax: (303)450-9200

Email: lspermitco@aol.com

7. Well Name: Pathfinder Well Number: C 14-01 1

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

9. Proposed Total Measured Depth: 9853

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 1 Twp: 20S Rng: 70W Meridian: 6

Latitude: 38.333375 Longitude: -105.179461

Footage at Surface: 1121 feet FSL 301 feet FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 5955 13. County: FREMONT

14. GPS Data:

Date of Measurement: 03/27/2012 PDOP Reading: 1.7 Instrument Operator's Name: Dallas Nielson

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
727 FSL 875 FWL 2541 FSL 2327 FEL
Sec: 1 Twp: 20S Rng: 70W Sec: 12 Twp: 20S Rng: 70W

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: 1260 ft

18. Distance to nearest property line: 996 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 600 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 | | | |

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#: 20120039

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):

Please see attached Exhibit "A"

25. Distance to Nearest Mineral Lease Line: 1145 ft 26. Total Acres in Lease: 10431

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 | 20 | 16 | LP | 0 | 60 | 5 | 60 | 0 |
| SURF | 12+1/4 | 9+5/8 | 36 | 0 | 1,200 | 411 | 1,200 | 0 |
| 1ST | 8+3/4 | 7 | 23 | 0 | 5,853 | 720 | 5,853 | 0 |
| 2ND | 6+1/8 | 4+1/2 | 11.6 | 0 | 9,853 | 0 | 0 | 0 |

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

33. Comments No cement will be used in the second string (production casing). Packers will be used instead.

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: Lisa Smith

Title: Authorized Agent Date: 4/20/2012 Email: lspermitco@aol.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: Matthew Lee Director of COGCC Date: 8/14/2012

API NUMBER
05 043 06219 01

Permit Number: _____ Expiration Date: 8/9/2014

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 48 hour notice prior to spud via Form 42.
- 2) Provide cement coverage from base of intermediate casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) 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.
- 4) Well location is close to a mapped coal mine (Caldirola #2 and Coal Creek Canyon). If mines are active coordinate well location with mine personnel. Maintain MSHA recommended 150' setback from active workings. If inactive mine workings are encountered set appropriate casing at least 50' past workings and cement from shoe to mine floor and from mine roof to surface. Report any mine workings encountered in formation log intervals section of Form 5.

Attachment Check List

| Att Doc Num | Name |
|-------------|-------------------------|
| 2332704 | SURFACE CASING CHECK |
| 400274149 | APD APPROVED |
| 400275066 | PLAT |
| 400275067 | DEVIATED DRILLING PLAN |
| 400275068 | DIRECTIONAL DATA |
| 400275069 | LEGAL/LEASE DESCRIPTION |
| 400314971 | FORM 2 SUBMITTED |

Total Attach: 7 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| Permit | Final Review passed 7/18/2012 NKP | 7/18/2012 1:08:05 PM |
| Permit | Mud disposal changed per opr comment on Location Assessment. | 7/18/2012 10:23:32 AM |
| Permit | 1. This location is in the area covered by Rule 318.a which requires 1200 feet between producing intervals. 2. The CGS Coal Mine map indicates potential coal mines in the area of the proposed wellbore. | 5/17/2012 4:25:49 PM |
| Permit | Per opr: Change #18 - Distance to nearest property line - 996 feet, 2. Change #19 - Distance to nearest well - 600 feet. This is distance between pilot hole and lateral - there will be no production from the pilot hole. | 5/3/2012 3:44:49 PM |
| Permit | Email to opr to verify distance to nearest well and property line. 5/2/2012 NKP | 5/1/2012 3:34:14 PM |

Total: 5 comment(s)

BMP

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

Total: 0 comment(s)