

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

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Document Number:

400293219

Date Received:

07/25/2012

PluggingBond SuretyID

20120011

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: NIGHTHAWK PRODUCTION LLC

4. COGCC Operator Number: 10399

5. Address: 1805 SHEA CENTER DR #290

City: HIGHLANDS RANCH State: CO Zip: 80129

6. Contact Name: Kyla Vaughan Phone: (505)635-5669 Fax: ()

Email: kvaughan@ltenv.com

7. Well Name: Steamboat Hansen Well Number: 8-10

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

9. Proposed Total Measured Depth: 8400

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 10 Twp: 6S Rng: 54W Meridian: 6

Latitude: 39.543500 Longitude: -103.419790

Footage at Surface: 2522 feet FNL/FSL FNL 983 feet FEL/FWL FEL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 5221 13. County: LINCOLN

14. GPS Data:

Date of Measurement: 05/24/2012 PDOP Reading: 2.5 Instrument Operator's Name: KEITH WESTFALL

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: 983 ft

18. Distance to nearest property line: 983 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1836 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Atoka | ATOK | | | |
| Cherokee | CHRK | | | |
| Keyes | KEYES | | | |
| Lansing | LNSNG | | | |
| Marmaton | MRTN | | | |
| Morrow | MRRW | | | |
| Spergen | SPGN | | | |
| Warsaw | WRSW | | | |

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):
E/2 SEC 10, T6S, R54W

25. Distance to Nearest Mineral Lease Line: 983 ft 26. Total Acres in Lease: 320

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: BACK FILL WHEN DRY

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+1/4 | 8+5/8 | 24 | 0 | 300 | 197 | 300 | 0 |
| 1ST | 7+7/8 | 5+1/2 | 17 | 0 | 8,400 | 574 | 8,400 | 3,649 |

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

33. Comments No surface casing will be used.

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: Kyla Vaughan

Title: Agent for Nighthawk Prod Date: 7/25/2012 Email: kvaughan@ltenv.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: 8/27/2012

| | | |
|--------------------------------------|----------------------|-----------------------------------|
| API NUMBER 05 073 06361 00 | Permit Number: _____ | Expiration Date: <u>8/26/2014</u> |
|--------------------------------------|----------------------|-----------------------------------|

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 electronic Form 42.
- 2) If production casing is set provide cement coverage to at least 200' above shallowest completed interval and across Cheyenne/Dakota interval (5100'-4600' minimum). Run and submit CBL to verify cemented intervals.
- 3) If well is a dry hole set plugs at the following depths: 40 sks cement +/- 50' above the Lansing, 40 sks cement across any DST or significant show, 40 sks cement at 5100' up, 40 sks cement at 4600' up, 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface casing, cut 4 ft below GL, weld on plate, 5 sks cement each in rat hole and mouse hole.

Attachment Check List

| Att Doc Num | Name |
|-------------|----------------------|
| 2170873 | SURFACE CASING CHECK |
| 2532955 | SURFACE AGRMT/SURETY |
| 400293219 | FORM 2 SUBMITTED |
| 400293717 | WELL LOCATION PLAT |
| 400293721 | TOPO MAP |

Total Attach: 5 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|-------------------------|
| Final Review | Operator made this a refile of the nearby Hanson 8-10 well that was an abandon location. | 8/20/2012 8:14:46 AM |
| Permit | Final review completed; no LGD or public comment received. | 8/20/2012 6:22:27 AM |

Total: 2 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------|--|
| Construction | <p>Certificate to Discharge Under CDPHE General Permit No. COR-030000 Stormwater Discharges Associated with Construction Certification No. COR031825</p> <p>Prior to construction, perimeter controls will be installed utilizing cuttings from the clearing operations.</p> <p>Once the well pad has been constructed a variety of BMP's shall be utilized for the site specific conditions. BMP's to be utilized may include, but are not limited to:</p> <ul style="list-style-type: none">-Dirt Ditch/Berm-Erosion Control Blankets-Straw Bale Barrier-Straw Wattles-Seeding-Imported Hard Armor-Check Dams-Culvert/Culvert Protection-Crimped Straw-Silt Fence-Surface Roughening/Surface Rip <p>During construction, each site will be inspected every 14 days and 24-72 hours after any precipitation event causing erosion depending on the current site activities. These inspections will be recorded and maintained on Nighthawk's Stormwater Database/Website.</p> <p>Repairs shall be completed as soon as possible after an inspection reporting BMP repairs are required.</p> <p>Any site specific modifications will be revised on the site plan when implemented at the site.</p> <p>A field wide Stormwater Management Plan (SWMP) for the Jolly Ranch Project Area is located at Nighthawk's office and can be obtained from Nighthawk's stormwater website.</p> <p>Spill Protection Control and Countermeasures (SPCC) plans for the Jolly Ranch Project Area are stored on file at Nighthawk's office. The field wide SWMP address SPCC during construction operations.</p> |

Total: 1 comment(s)