

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:

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Date Received:

06/29/2012

PluggingBond SuretyID

19900035

APPLICATION FOR PERMIT TO:

1. ☐ Drill, ☐ Deepen, ☐ Re-enter, ☒ **Recomplete and Operate**

2. TYPE OF WELL

OIL ☐ GAS ☐ COALBED ☐ OTHER ☐ UIC Disposal ☐
 SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐

Refiling ☐Sidetrack ☐3. Name of Operator: WESTERN OPERATING COMPANY4. COGCC Operator Number: 956205. Address: 518 17TH ST STE 200City: DENVER State: CO Zip: 802026. Contact Name: Fabrianna Venaducci Phone: (303)279-0789 Fax: (303)279-1124Email: fabrianna@jameskaro.com7. Well Name: Propst Well Number: 1

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

9. Proposed Total Measured Depth: 5363

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 26 Twp: 11N Rng: 53W Meridian: 6Latitude: 40.893110 Longitude: -103.264810

Footage at Surface: 720 feet FNL/FSL 600 feet FEL/FWL FWL

11. Field Name: Bonanza-North Field Number: 716712. Ground Elevation: 4480 13. County: LOGAN

14. GPS Data:

Date of Measurement: 07/02/2006 PDOP Reading: 1.9 Instrument Operator's Name: L. Robbins15. 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 ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 4560 ft18. Distance to nearest property line: 600 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1219 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.)
DSAND	DSND			

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):

SWSW, Section 26, T11N, R53W

25. Distance to Nearest Mineral Lease Line: 600 ft

26. Total Acres in Lease: 40

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
SURF	12+1/2	8+5/8	24	0	261	160	261	0
1ST	8+5/8	5+1/2	14,15.5	0	5,361	150	5,361	4,450

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

33. Comments This APD is submitted for the recompletion of the wellbore to convert to a water disposal well.

34. Location ID: 312291

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: Fabrianna Venaducci

Title: Contract Landman Date: 6/29/2012 Email: fabrianna@jameskaro.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: 8/28/2012

API NUMBER

05 075 09204 00

Permit Number: _____ Expiration Date: 8/27/2014

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 remedial cement from 450' to 50' above surface casing shoe.
2. Injection is not authorized until approval of forms 31 and 33.
3. Prior approval of form 4 is required for step rate and injectivity tests.
4. Retrieve water sample before stimulating formation.

Attachment Check List

Att Doc Num	Name
2170269	SURFACE CASING CHECK
400291835	FORM 2 SUBMITTED
400299719	SURFACE AGRMT/SURETY

Total Attach: 3 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Form 4 recieved. Final review completed.	8/24/2012 10:38:40 AM
Permit	On Hold. Requested form 4.	8/17/2012 7:33:43 AM
Final Review	ON HOLD to check for Forms 4, 31, 33	8/16/2012 3:24:17 PM
Permit	Input lease description, lease acreage, and location ID. This form is ok to pass.	3/6/2012 2:55:13 PM
Permit	Requested total acres and mineral lease description from operator.	3/6/2012 2:32:43 PM

Total: 5 comment(s)

BMP

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

Total: 0 comment(s)