

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:

400317845

Date Received:

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

PluggingBond SuretyID

20090055

3. Name of Operator: PETERSON ENERGY OPERATING INC

4. COGCC Operator Number: 68710

5. Address: 2154 W EISENHOWER BLVD

City: LOVELAND State: CO Zip: 80537

6. Contact Name: CLAYTON DOKE Phone: (970)669-7411 Fax: (970)669-4077

Email: cdoke@petersonenergy.com

7. Well Name: HOSHIKO Well Number: 1-1-36H

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

9. Proposed Total Measured Depth: 8662

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 25 Twp: 5N Rng: 64W Meridian: 6

Latitude: 40.365360 Longitude: -104.496940

Footage at Surface: 806 feet FNL/FSL FSL 2353 feet FEL/FWL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4583 13. County: WELD

14. GPS Data:

Date of Measurement: 07/23/2012 PDOP Reading: 1.8 Instrument Operator's Name: Brian T. Brinkman

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 460 FNL 2184 FWL 460 Bottom Hole: FNL/FSL 460 FNL 460 FWL 460
Sec: 36 Twp: 5N Rng: 64W Sec: 36 Twp: 5N Rng: 64W

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: 292 ft

18. Distance to nearest property line: 150 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 212 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		80	GWA

21. Mineral Ownership: Fee State Federal Indian Lease #: 5555-80

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):

Section 36, Township 5 North, Range 64 West: N/2 NW/4 & S/2 NE/4

25. Distance to Nearest Mineral Lease Line: 460 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: _____

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	9+5/8	36	0	360	188	360	0
1ST	8+3/4	7	23	0	6,939	130	6,939	5,942
1ST LINER	6+1/8	4+1/2	11.6	6246	8,662			

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

33. Comments No conductor casing will be run. This well is a Rule 318A(l).a.(4)D Horizontal GWA Well; Proposed Spacing Unit: N/2 NW/4, Sec. 36-5N-64W. Pico Niobrara, LLC is the sole mineral owner as defined in §34-60-103(7), and has consented to the Rule 318A(l).a.(4)D proposed spacing unit and waived the 30-day period for the establishment of said spacing unit. Please see the attached document. Operator respectfully requests a Rule 318A(l).a exception location; this well is outside of a GWA drilling window and is greater than 50' from an existing well. Request is attached. The surface owner has explicitly consented to the location on this and other wells outside of the 318A(l).a windows through the surface use agreement in item 18 ¶ #7, thus no additional waiver is attached.

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: CLAYTON DOKE

Title: PETROLEUM ENGINEER Date: _____ Email: cdoke@petersonenergy.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
400319512	WELL LOCATION PLAT
400320351	PROPOSED SPACING UNIT
400321170	DIRECTIONAL DATA
400321171	DEVIATED DRILLING PLAN
400321581	SURFACE AGRMT/SURETY
400321632	EXCEPTION LOC REQUEST
400322414	EXCEPTION LOC WAIVERS
400322416	EXCEPTION LOC REQUEST

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
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Total: 0 comment(s)

BMP

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

Total: 0 comment(s)