

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:

2237584

Date Received:

08/01/2012

PluggingBond SuretyID

20100036

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: CHACO ENERGY COMPANY

4. COGCC Operator Number: 10017

5. Address: P O BOX 1587

City: DENVER State: CO Zip: 80201

6. Contact Name: ALAN NELSON Phone: (405)942-3751 Fax: (405)942-3257

Email: CHACO@SWBELL.NET

7. Well Name: SCHMEECKLE Well Number: 1

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

9. Proposed Total Measured Depth: 6129

WELL LOCATION INFORMATION

10. QtrQtr: SWNW Sec: 11 Twp: 7N Rng: 57W Meridian: 6

Latitude: 40.590190 Longitude: -103.731660

Footage at Surface: 2004 feet FNL 703 feet FWL

11. Field Name: VOLTEN Field Number: 90210

12. Ground Elevation: 4650 13. County: WELD

14. GPS Data:

Date of Measurement: 07/09/2012 PDOP Reading: 1.8 Instrument Operator's Name: TIM LEIBERT

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: 1056 ft

18. Distance to nearest property line: 703 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1800 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.)
D SAND	DSND			
J SAND	JSND			

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):

NW 1/4 SEC 11-7N-57W

25. Distance to Nearest Mineral Lease Line: 703 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: No drilling mud will be used

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	10+1/2	8+5/8	24	0	158	115	158	0
1ST	7+7/8	5+1/2	15.5/17#	0	6,127	150	6,127	5,150

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

33. Comments A FORM 2A IS NOT REQUIRED FOR THIS RECOMPLETION BECAUSE NO PIT WILL BE CONSTRUCTED ANDTHERE WILL BE NO ADDITIONAL SURFACE DISTURBANCE BEYOND THE ORIGINALLY DISTURBED AREA

34. Location ID: 317499

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: ALAN B, NELSON

Title: PRODUCTION MANAGER

Date: 7/18/2012

Email: CHACO@SWBELL.NET

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: 9/25/2012

API NUMBER

05 123 05402 00

Permit Number: _____ Expiration Date: 9/24/2014

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.

Perform a mechanical integrity test (MIT) prior to or concurrent with reecomplete. Chart or COGCC to witness.

Attachment Check List

Att Doc Num	Name
2237584	FORM 2 SUBMITTED

Total Attach: 1 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	9/24/2012 6:42:05 AM
Engineer	Operator filed Form 5 #400328197.	9/19/2012 9:45:03 AM
Engineer	ON HOLD - No Form 5 on file. Permitting to request.	9/13/2012 2:45:03 PM
Permit	Per operator corrected well classification, completion zone, drilling mud question, and distance to nearest road. Also, input comment about form 2A in operator comments.	8/31/2012 11:45:40 AM
Permit	This form has passed completeness. Requested the following from the operator. Oil or gas well? Multiple completion? will drilling mud be used? Distance to nearest public road appears closer then 7284'. Requested to put a comment in about a 2A not being required.	8/31/2012 6:34:05 AM
Permit	Added plugging bond ID#, location ID, answered 27, 28 ,29 32 per operator. Hold until registered agent is confirmed.	8/29/2012 10:24:15 AM
Data Entry	CASING STRING "LONG" NOT OFFERED ON PULLDOWN FIRST STRING ENTERED FOR SUBMISSION. RELATED TO FORM 4 DOC # 2237585	8/29/2012 8:35:55 AM

Total: 7 comment(s)

BMP

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

Total: 0 comment(s)