

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

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Document Number:

2171518

Date Received:

09/11/2012

PluggingBond SuretyID

20120092

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: NOLTE* C J LLC

4. COGCC Operator Number: 10357

5. Address: 8713 GARRISON COURT

City: ARVADA State: CO Zip: 80005

6. Contact Name: CLIFF NOLTE Phone: (303)420-7971 Fax: ()

Email: CJNOLTE@CENTURYLINK.NET

7. Well Name: CULLEN BOYERO Well Number: 1-30

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

9. Proposed Total Measured Depth: 6850

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 30 Twp: 12S Rng: 52W Meridian: 6

Latitude: 38.976810 Longitude: -103.262870

Footage at Surface: 1200 feet FNL 1885 feet FEL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 4955 13. County: LINCOLN

14. GPS Data:

Date of Measurement: 09/05/2012 PDOP Reading: 2.9 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: 1500 ft

18. Distance to nearest property line: 720 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 4200 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.)
MARMATON	MRTN			
MORROW	MRRW			

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):

12S-52W SEC 19 ALL, SEC 30 E/2, SEC 31 ALL

25. Distance to Nearest Mineral Lease Line: 720 ft 26. Total Acres in Lease: 1600

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	8+5/8	24	0	450	250	450	0
1ST	7+7/8	5+1/2	1.5	0	6,850	215	6,850	

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

33. Comments CONDUCTOR CASING WILL NOT 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: CLIFF J NOLTE

Title: MGR LLC Date: 9/10/2012 Email: CJNOLTE@CENTURYLINK.N

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: 10/11/2012

API NUMBER: 05 073 06485 00 Permit Number: _____ Expiration Date: 10/10/2014

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.

Water Testing: Prior to drilling, operator shall sample the two (2) closest domestic water wells, springs, or surface water features within a one (1) mile radius of the proposed oil and gas location. Testing preference shall be given to domestic water wells and springs over surface water. Testing of surface water features shall only be conducted if two (2) water wells or springs do not exist within a one (1) mile radius of the selected oil and gas location. If possible, the water wells or springs selected should be on opposite sides of the oil and gas location not exceeding a one (1) mile radius. If water wells or springs on opposite sides of the oil and gas location cannot be identified, then the two (2) closest wells or springs within a one (1) mile radius of the oil and gas location shall be sampled. The sample location shall be surveyed in accordance with Rule 215.

Water well testing shall include laboratory analysis of pH, total dissolved solids (TDS), specific conductivity (SC), sodium adsorption ratio (SAR) calculation, total recoverable metals (calcium [Ca], potassium [K], magnesium [Mg], sodium [Na], arsenic [As], boron [B], barium [Ba], cadmium [Cd], chromium [Cr], copper [Cu], iron [Fe], manganese [Mn], lead [Pb], selenium [Se]), cations and anions (bromide [Br], chloride [Cl], fluoride [F], sulfate [SO4]), alkalinity (total, HCO3, and CO3 – all expressed as CaCO3), benzene, toluene, ethyl benzene, o-xylene, m- + p-xylene (BTEX), dissolved methane, diesel range organics (DRO), gasoline range organics (GRO), and nutrients (nitrates, nitrites). Sampling shall be performed by qualified individuals using commonly accepted environmental sampling procedures. Field observations such as pH, temperature, specific conductance, odor, water color, sediment, bubbles, and effervescence shall also be included.

Post-completion tests shall be performed for the same analytical parameters listed above and repeated one (1), three (3) and six (6) years thereafter. If no significant changes from the baseline have been identified after the third test (i.e. the six-year test), no further testing shall be required. Additional test(s) may be required if changes in water quality are identified during follow-up testing. The Director may require further water well sampling at any time in response to complaints from water well owners.

If free gas or a dissolved methane concentration level greater than one (1) milligrams per liter (mg/l) is detected in a water well, gas compositional analysis and stable isotope analysis of the methane (carbon and deuterium) shall be performed to determine gas type (biogenic or thermogenic). If the methane concentration increases by more than five (5) mg/l between sampling periods, or increases to more than ten (10) mg/l, the operator shall notify the Director and the owner of the water well immediately. If thermogenic methane concentrations increase between sampling periods, the operator shall submit to the Director an action plan to determine the source of the increase.

Copies of all test results described above shall be provided to the Director and the landowner where the water quality testing well is located within three (3) months of collecting the samples used for the test. The analytical data and surveyed sample locations shall also be submitted to the Director in an electronic data deliverable format approved by Director.

- 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 the shallowest completed interval and cement Cheyenne/Dakota interval (3460'-2840' minimum). Run and submit CBL to verify.
- 3) If well is a dry hole set plugs at the following depths: 40 sks cement +/- 50' above the Morrow, 40 sks cement +/- 50' above any DST w/ show, 40 sks cement at 3460' up, 40 sks cement at 2840' 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
2171518	FORM 2 SUBMITTED
2171523	WELL LOCATION PLAT
2171524	TOPO MAP
2171525	30 DAY NOTICE LETTER
2172028	SURFACE CASING CHECK

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	10/9/2012 7:31:00 AM
Engineer	Called operator (Cliff Nolte) to confirm about the proposed bottom of cement at 4300'. He confirmed they will cement from bottom of casing up and from Stone Corral (approx 4300') to surface or base of surface casing at least.	9/25/2012 10:45:48 AM
Permit	Operator revised QTR/QTR well spot, Operator submitted incomplete information.	9/14/2012 2:04:46 PM
Permit	Operator revised lease description and acreage.	9/14/2012 2:03:29 PM
Permit	Lease acreage does not match the description. Distance to property line and lease line needs to be verified.	9/14/2012 12:34:38 PM
Permit	Return to Draft: Will email operator to request permission to amend/correct and/or make changes due to paper submission of document. 1. Plugging bond surety ID number is incomplete. 2. Question No. 10 - QtrQtr/Lot does not match well location plat. 3. Question No. 11 is incomplete. 4. Question No. 36 is incomplete. 5. Conductor pipe information is missing in casing section. If conductor pipe is not used then this must be noted in the Operator Comments section.	9/13/2012 1:29:13 PM

Total: 6 comment(s)

BMP

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

Total: 0 comment(s)