

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:

400327295

Date Received:

09/26/2012

PluggingBond SuretyID

20110198

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: CONDOR ENERGY TECHNOLOGY LLC

4. COGCC Operator Number: 10394

5. Address: 3315 HIGHWAY 50

City: SILVER SPRINGS State: NV Zip: 89429

6. Contact Name: Angie Galvan Phone: (281)716-5730 Fax: (281)815-2882

Email: Angie.Galvan@stxra.com

7. Well Name: Waves Well Number: 1H

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

9. Proposed Total Measured Depth: 10846

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 23 Twp: 7N Rng: 60W Meridian: 6

Latitude: 40.554040 Longitude: -104.068900

Footage at Surface: 230 feet FSL 330 feet FWL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 4905 13. County: WELD

14. GPS Data:

Date of Measurement: 08/16/2012 PDOP Reading: 2.0 Instrument Operator's Name: MARC WOODARD

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

Footage at Top of Prod Zone: FNL/FSL FSL FEL/FWL Bottom Hole: FNL/FSL FSL FEL/FWL
845 FSL 650 FWL 1010 FNL 2190 FEL
Sec: 23 Twp: 7N Rng: 60W Sec: 23 Twp: 7N Rng: 60W

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: 220 ft

18. Distance to nearest property line: 230 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 3667 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	535-207	640	SEC 23

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):

Township 7 North, Range 60 West, 6th PM Section 23: W/2 Containing 320 acres more or less

25. Distance to Nearest Mineral Lease Line: 0 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: _____

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
CONDUCTOR	24	16	75	0	40	20	40	0
SURF	12+1/4	9+5/8	36	0	1,000	500	1,000	0
1ST	8+3/4	7	23	0	6,570	650	6,570	
1ST LINER	6+1/8	4+1/2	11.6	5581	10,846			

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

33. Comments Application to establish a spacing unit has been made and is on the October 1, 2012 hearing docket. A Facility ID Number for Land Spreading has been established (Facility ID#429467)

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: Angelina Galvan

Title: Regulatory Analyst Date: 9/26/2012 Email: Angie.Galvan@stxra.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: 10/30/2012

API NUMBER

05 123 36243 00

Permit Number: _____ Expiration Date: 10/29/2014

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 48 hour notice prior to spud via electronic Form 42.
- 2) Provide cement coverage from base of intermediate casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

Att Doc Num	Name
400327295	FORM 2 SUBMITTED
400327302	WELL LOCATION PLAT
400330154	30 DAY NOTICE LETTER
400333277	DEVIATED DRILLING PLAN
400333278	DIRECTIONAL DATA

Total Attach: 5 Files

General Comments

User Group	Comment	Comment Date
Permit	Per operator corrected surface and minerals information. Operator states that SUA is being finalized and will be submitted when complete. Final Review Completed. No LGD or public comment received.	10/29/2012 10:29:56 AM
Permit	Horizontal well crosses lease lines within GWA horizontal wellbore unit; distance to lease line is 0'; distance to unit boundary is 650'.	10/18/2012 1:05:57 PM
Permit	Input distance to nearest road and spacing order number. Still waiting on surface and minerals information.	10/15/2012 8:27:34 AM
Permit	Input related form 2A and spacing order. Requested surface and minerals information and distance to nearest road, utility, or building. Initial review complete.	10/11/2012 1:22:54 PM
Permit	This form passed completeness. Operator amended directional drilling template/import to coincide with data values of deviated drill plan and excep spreadsheet.	10/7/2012 3:21:42 PM
Permit	Return to draft: 1. Directional drilling template/import data values do not match deviated drilling plan or directional data excel spreadsheet data values. Operator amended plugging and surface surety bond ID numbers. Operator completed conductor casing size.	10/3/2012 8:42:11 PM
Permit	Return to Draft: 1. Plugging bond surety ID # does not match COGCC database information. 2. Surface bond surety ID # does not match COGCC database information. 3. Conductor casing size is incomplete. 4. Directional drilling template/import data values do not match deviated drilling plan or directional data excel spreadsheet data values.	9/30/2012 8:21:15 PM

Total: 7 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Planning	The Pit Report on Form 15 will be submitted within 30 days of construction of the fresh water storage pit.
Drilling/Completion Operations	Operator will ensure 110 percent secondary containment for any volume of fluids contained at the well site during drilling and completion. Operator will implement best management practices to contain any unintentional release of fluids. Fresh water for the Fresh Water Storage Pit comes from a water provider; water sources permitted for consumable industrial use.
Construction	Operator has designed the well pad with insloping and a storm water control ditch to prevent storm water run-on/run-off and the release of fluids for the location. See attached Construction Layout Drawing. The location will be fenced and the fenced area will include the Fresh Water Storage Pit. The COGCC will be notified 48 hours prior to construction of the Fresh Water Storage Pit.

Total: 3 comment(s)