

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:

400336538

Date Received:

10/15/2012

PluggingBond SuretyID

20010023

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: K P KAUFFMAN COMPANY INC

4. COGCC Operator Number: 46290

5. Address: 1675 BROADWAY, STE 2800

City: DENVER State: CO Zip: 80202

6. Contact Name: Susana Lara-Mesa Phone: (303)825-4822 Fax: (303)825-4825

Email: slaramesa@kpk.com

7. Well Name: Strong Well Number: #1-7

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

9. Proposed Total Measured Depth: 7350

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 22 Twp: 5N Rng: 66W Meridian: 6

Latitude: 40.383260 Longitude: -104.758570

Footage at Surface: 2033 feet FNL/FSL 684 feet FEL/FWL FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4790 13. County: WELD

14. GPS Data:

Date of Measurement: 11/14/2006 PDOP Reading: 2.3 Instrument Operator's Name: J Rhoten

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: 310 ft

18. Distance to nearest property line: 367 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 805 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-Codell | NB-CD | | 40 | NESE |

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):

SE/4 Sec 22 T5N R66W

25. Distance to Nearest Mineral Lease Line: 684

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 | 8+5/8 | 24 | 0 | 324 | 280 | 324 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 7,325 | 225 | 7,325 | |

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

33. Comments New formation to be completed - Niobrara. Form 4 was submitted and approved on 02-14-2012. No conductor casing will be used.

34. Location ID: 319516

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: Susana Lara-Mesa

Title: Engineering Project Mgr Date: 10/15/2012 Email: slaramesa@kpk.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: 11/6/2012

API NUMBER

05 123 11391 00

Permit Number: _____ Expiration Date: 11/5/2014

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.

PRIOR TO RECOMPLETE, OPERATOR MUST: 1) VERIFY EXISTING CEMENT ABOVE THE NIOBRARA, ACROSS THE SHANNON AND ACROSS THE FOX HILLS AQUIFER WITH A CEMENT BOND LOG. 2) IF IT IS NOT PRESENT AS FOLLOWS, PROVIDE REMEDIAL CEMENT ACROSS AND TO 200' ABOVE NIOBRARA (MINIMUM TOP OF CEMENT 6660'), ACROSS THE SHANNON FROM 5100' TO 4650' AND ACROSS THE FOX HILLS FROM 560' TO 50' WITHIN THE SURFACE CASING SHOE. VERIFY ALL REMEDIAL CEMENT COVERAGE WITH CEMENT BOND LOG.

Attachment Check List

| Att Doc Num | Name |
|-------------|--------------------|
| 400336538 | FORM 2 SUBMITTED |
| 400336567 | WELL LOCATION PLAT |
| 400336587 | TOPO MAP |
| 400336624 | OTHER |

Total Attach: 4 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|---|--------------------------|
| Permit | Location assigned w/o 2A. Recomplete to add NB. Corrected typo in unit configuration from NE/NE to NE/SE and corrected lease description to SE/4 of section 22. Removed Spacing Order 407-87. Opr approved corrections. Ready to pass pending public comment 11/6/12. | 10/25/2012 8:21:33 AM |
| Permit | Operator commented no conductor casing. This form passed completeness. | 10/16/2012 5:21:15 PM |
| Permit | Return to draft: 1. conductor casing information is incomplete. If no conductor casing is used this must be noted in Operator Comments section. | 10/16/2012 2:06:02 PM |

Total: 3 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|-------------|----------------|
| | |

Total: 0 comment(s)