

APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, **Recomplete and Operate**

2. TYPE OF WELL

OIL GAS COALBED OTHER Injection
 SINGLE ZONE MULTIPLE COMMINGLE

Refiling
 Sidetrack

3. Name of Operator: BLACK RAVEN ENERGY INC 4. COGCC Operator Number: 10203
 5. Address: 1331 17TH STREET - #350
 City: DENVER State: CO Zip: 80202
 6. Contact Name: Scott Ritger Phone: (303)887-9266 Fax: (303)308-1590
 Email: sritger@ticdenver.com
 7. Well Name: Nichols Well Number: 13A-24
 8. Unit Name (if appl): _____ Unit Number: _____
 9. Proposed Total Measured Depth: 5760

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 24 Twp: 1N Rng: 58W Meridian: 6
 Latitude: 40.042788 Longitude: -103.815133
 Footage at Surface: 580 feet FNL 1080 feet FEL
 11. Field Name: Adena Field Number: 700
 12. Ground Elevation: 4562 13. County: MORGAN

14. GPS Data:

Date of Measurement: 10/04/2011 PDOP Reading: 3.3 Instrument Operator's Name: Theresa McCollom

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: 560 ft
 18. Distance to nearest property line: 580 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 879 ft

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 | 26-60 | 1200 | |

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#: 20110164
 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):

East Half of section 24, T1N R58W, 6th Prime Meridian

25. Distance to Nearest Mineral Lease Line: 580 ft 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: 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 | 12+1/4 | 8+5/8 | 32 | 0 | 138 | 100 | 138 | 0 |
| 1ST | 7+7/8 | 5+1/2 | 15.5 | 0 | 5,756 | 225 | 5,756 | 4,447 |

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

33. Comments Nearest public road (560') is the section line road that runs east-west along the northern edge of section 24, T1N R58W. Nearest property line (580') is the southern edge of section 13, T1N R58W. Nearest well completed in the same formation (879') is the Nichols #4. This permit is being submitted with a Form 33, Injection Well Permit Application. The Nichols 13A-24 will be converted to a D sand water injection well in the D Sand Enhanced Recovery Unit that was approved under COGCC Order 26-60 on May 21, 1990. A Form 2A is not required for this recompletion because no pit will be constructed and there will be no additional surface disturbance beyond the originally disturbed area. No conductor casing was used when this well was drilled; the casing consists of surface casing and a production string.

34. Location ID: 313906

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: Scott Ritger

Title: Geologist Date: 10/17/2012 Email: sritger@ticdenver.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: 11/26/2012

API NUMBER **05 087 07827 00** Permit Number: _____ Expiration Date: 11/25/2014

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 remedial cement from 220' to 50' above surface casing shoe (minimum). Verify with CBL.
 2) Approval of this permit does not authorize injection. Approval of COGCC Forms 31 and 33 required prior to injection.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------|
| 400301517 | FORM 2 SUBMITTED |

Total Attach: 1 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| Engineer | Discussed rem cmt w/ operator | 11/20/2012 2:57:58 PM |
| Engineer | discussing rem cmt w/ operator | 11/15/2012 1:25:21 PM |
| Permit | Final Review Completed. No LGD or public comment received. | 11/13/2012 9:26:13 AM |
| Permit | Changed well type per operator. | 10/25/2012 12:53:49 PM |
| Permit | Initial review complete. Form 4 and 33 have been received. | 10/24/2012 7:57:34 AM |
| Permit | This well was originally permitted in the J Sand. The nearest active J sand well is 879' away and is the Nichols #4. The nearest active D sand well is roughly 1502' away and is the Clar B-1 which is currently being permitted. | 10/24/2012 7:55:03 AM |
| Permit | Operator commented no conductor casing used or plan to use for this well and emailed operator if well location plat is available/exists for this well. This form passed completeness. | 10/23/2012 1:20:03 PM |
| Permit | Return to draft: 1. Conductor casing information is incomplete. If no conductor casing is used then this must be stated under Operator Comments section. 2. Operator comments section does not indicate no changes to the well, and therefore, required supporting attachments are missing. | 10/19/2012 2:43:22 PM |

Total: 8 comment(s)

BMP

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

Total: 0 comment(s)