

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:

400343360

Date Received:

11/06/2012

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

PluggingBond SuretyID

20100072

3. Name of Operator: PATARA OIL & GAS LLC

4. COGCC Operator Number: 10332

5. Address: 600 17TH STREET #1900S

City: DENVER State: CO Zip: 80202

6. Contact Name: Danielle Gavito Phone: (303)563-5378 Fax: (720)235-4560

Email: dgavito@pataraog.com

7. Well Name: Hamm Canyon Fed Well Number: 20-44-45-18

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

9. Proposed Total Measured Depth: 11373

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 21 Twp: 45N Rng: 18W Meridian: N

Latitude: 38.138148 Longitude: -108.868538

Footage at Surface: 2391 feet FSL 528 feet FWL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 6393 13. County: SAN MIGUEL

14. GPS Data:

Date of Measurement: 10/23/2012 PDOP Reading: 2.2 Instrument Operator's Name: RON RENNKE

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 _____
796 FSL 328 FEL 796 FSL 328 FEL
Sec: 20 Twp: 45N Rng: 18W Sec: 20 Twp: 45N Rng: 18W

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: 7495 ft

18. Distance to nearest property line: 528 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2 mi

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.)
HATCH	HTCH			
HONAKER TRAIL	HNKRT			

21. Mineral Ownership: Fee State Federal Indian Lease #: COC71783

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):

See attached lease description

25. Distance to Nearest Mineral Lease Line: 796 ft 26. Total Acres in Lease: 1380

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	20	16		0	60	50	60	0
SURF	12+1/4	8+5/8	32	0	1,600	410	1,600	0
2ND	7+7/8	4+1/2	11.6	1400	11,374	1,210	11,374	1,400

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

33. Comments _____

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: DANIELLE GAVITO

Title: REGULATORY TECH Date: 11/6/2012 Email: DGAVITO@PATARAOG.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: 12/6/2012

API NUMBER

05 113 06271 00

Permit Number: _____ Expiration Date: 12/5/2014

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.

None - BLM jurisdiction

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400343360	FORM 2 SUBMITTED
400343960	DRILLING PLAN
400343962	FORM 2A
400343964	WELL LOCATION PLAT
400343968	SURFACE PLAN
400343970	ACCESS ROAD MAP
400343975	FED. DRILLING PERMIT
400343988	LEGAL/LEASE DESCRIPTION
400343990	TOPO MAP
400343991	CONST. LAYOUT DRAWINGS
400343992	OTHER
400343993	MULTI-WELL PLAN
400345163	DEVIATED DRILLING PLAN
400346157	DIRECTIONAL DATA

Total Attach: 14 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	12/4/2012 6:04:19 AM
Permit	Operator revised distance to lease line.	11/19/2012 2:41:33 PM
Permit	Operator revised top of production.	11/19/2012 12:05:57 PM
Permit	Top of producing zone footage and section appears to be incorrect. Requested clarification. Distance to lease line appears to be incorrect	11/14/2012 6:52:27 AM
Permit	Proposed well is to be drilled through Federal minerals. Operator discussion with the BLM required: Un-leased Federal minerals cannot be drilled upon/produced without a Federal drilling permit regardless of spacing order.	11/14/2012 6:42:25 AM
Permit	operator attached standard/template excel directional drilling data spreadsheet w/all information and attached directional drilling template/import. This form passed completeness.	11/13/2012 2:47:21 PM
Permit	Return to draft: 1. directional drilling data excel spreadsheet attached is not standard/missing information, 2. directional drilling template/import is not attached. operator corrected plugging bond surety ID number and completed question no. 11, field #.	11/10/2012 10:02:47 PM
Permit	Return to draft: 1. plugging bond surety ID number does not match database information, 2. question no. 11, field number, is incomplete, 3. directional drilling data excel spreadsheet is not attached, 4. directional drilling template/import is not attached.	11/6/2012 5:53:05 PM

Total: 8 comment(s)

BMP

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

Total: 0 comment(s)