

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:

400317498

Date Received:

11/21/2012

PluggingBond SuretyID

20100218

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: ORR ENERGY LLC

4. COGCC Operator Number: 10154

5. Address: 1813 61ST AVE STE 200

City: GREELEY State: CO Zip: 80634

6. Contact Name: Julie L. Padilla Phone: (303)928-7128 Fax: (303)476-1645

Email: jpadilla@petro-fs.com

7. Well Name: Smith Well Number: 26-22

8. Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

9. Proposed Total Measured Depth: 7925

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 26 Twp: 10N Rng: 61W Meridian: 6

Latitude: 40.808007 Longitude: -104.174393

Footage at Surface: 1600 feet FNL 2360 feet FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 5087 13. County: WELD

14. GPS Data:

Date of Measurement: 07/23/2012 PDOP Reading: 1.4 Instrument Operator's Name: Brian Ritz

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: 800 ft

18. Distance to nearest property line: 696 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1400 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Codell                 | CODL           |                         |                               |                                      |
| Dakota                 | DKTA           |                         |                               |                                      |
| J Sand                 | JSND           |                         |                               |                                      |
| Niobrara               | NBRR           |                         |                               |                                      |

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):

See Attached Lease Description

25. Distance to Nearest Mineral Lease Line: 800 ft 26. Total Acres in Lease: 980

### 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             | 1,000         | 375       | 1,000   | 0       |
| 1ST         | 7+7/8        | 4+1/2          | 11.6  | 0             | 7,925         | 750       | 7,925   | 2,400   |

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

33. Comments No Conductor casing will be set.

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: Julie L. Padilla

Title: Regulatory Manager Date: 11/21/2012 Email: jpadilla@petro-fs.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: 12/23/2012

**API NUMBER**  
05 123 36441 00

Permit Number: \_\_\_\_\_ Expiration Date: 12/22/2014

**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 of spud via electronic Form 42.
- 2) Set at least 1000' of surface casing. Cement to surface.
- 3) Provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 4) If dry hole, set 40 sk (100') cement 50' above above J-Sand, 50 sks cement from 50' below to 50' above surface casing shoe, 15 sks cement top of surface casing, cut 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole.

**Applicable Policies and Notices to Operators**

Notice Concerning Operating Requirements for Wildlife Protection.

**Attachment Check List**

| Att Doc Num | Name                    |
|-------------|-------------------------|
| 2544756     | SURFACE CASING CHECK    |
| 400317498   | FORM 2 SUBMITTED        |
| 400348664   | WELL LOCATION PLAT      |
| 400348683   | 30 DAY NOTICE LETTER    |
| 400349037   | LEGAL/LEASE DESCRIPTION |

Total Attach: 5 Files

**General Comments**

| <b><u>User Group</u></b> | <b><u>Comment</u></b>   | <b><u>Comment Date</u></b> |
|--------------------------|---|----------------------------|
| Permit                   | Per operator corrected distance to nearest railroad, zone type, and distance to mineral lease line. Final Review Completed. No LGD or public comment received.  | 12/20/2012<br>12:22:29 PM  |
| Permit                   | Requested information again.  | 12/19/2012<br>10:19:58 AM  |
| Permit                   | Requested distance to nearest utility, road, etc., information on commingling zones, information on railroad to SW, updated distance to nearest well. This well is 272' from the lease line per #24. Requested information regarding state setbacks. Initial review complete. | 11/28/2012<br>6:26:08 AM   |
| Permit                   | Operator made correction.   | 11/23/2012<br>2:03:52 PM   |
| Permit                   | Returned to draft. Well plots in the SENW, not SESE   | 11/23/2012<br>11:28:20 AM  |

Total: 5 comment(s)

## BMP

| <u>Type</u>                    | <u>Comment</u>   |
|--------------------------------|--|
| Planning                       | When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.  |
| Drilling/Completion Operations | When available and reasonable use a closed-loop drilling mud system to preclude the use of an earthen reserve pits when available. Light Sources will likewise be directed downwards, and away from occupied structures where possible. Once the drilling and completions rigs leave the site, there will be no permanently installed lighting on site.  |
| Site Specific                  | Fence the well site after drilling to restrict public and wildlife access.<br>Keep well site location, the road, and the pipeline easement free of noxious weeds, litter and debris.<br>Spray for noxious weeds, and implement dust control, as needed.<br>Operator will not permit the release or discharge of any toxic or hazardous chemicals or wastes on Owner's Land.<br>Construct and maintain gates where any roads used by operator, its employees, or contractors cross through fences on the leased premises. |
| Storm Water/Erosion Control    | Use water bars, and other measures to prevent erosion and non-source pollution.<br>Implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation.<br>Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).  |
| Interim Reclamation            | Remove only the minimum amount of vegetation necessary for the construction of roads and facilities.<br>Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation.<br>No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.  |
| Construction                   | Remove only the minimum amount of vegetation necessary for the construction of roads and facilities.<br>Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation.<br>No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.  |
| Final Reclamation              | All surface restoration shall be accomplished to the satisfaction of Owner.<br>All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner.<br>Final reclamation shall be completed to the reasonable satisfaction of the Owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards (BLM/COGCC).                             |

Total: 7 comment(s)