

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:

400358884

Date Received:

12/19/2012

PluggingBond SuretyID

20120044

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: CASCADE PETROLEUM LLC

4. COGCC Operator Number: 10414

5. Address: 1331 17TH STREET #400

City: DENVER State: CO Zip: 80202

6. Contact Name: SAM SCHUESSLER Phone: (303)407-6512 Fax: (303)407-6501

Email: sschuessler@cascadepetroleum.com

7. Well Name: MONKS Well Number: A11-9S-56W-01

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

9. Proposed Total Measured Depth: 8672

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 11 Twp: 9S Rng: 56W Meridian: 6

Latitude: 39.274920 Longitude: -103.624160

Footage at Surface: 750 feet FNL/FSL 750 feet FEL/FWL FEL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 5402 13. County: LINCOLN

14. GPS Data:

Date of Measurement: 12/17/2012 PDOP Reading: 1.8 Instrument Operator's Name: ROBERT J RUBINO

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: 750 ft

18. Distance to nearest property line: 750 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 4100 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| MISSISSIPPIAN | MSSP | | | |
| PENNSYLVANIAN | PENN | | | |

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):

11-9S-56W: All

25. Distance to Nearest Mineral Lease Line: 750 ft 26. Total Acres in Lease: 640

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: evaporate then bury

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 | 9+5/8 | 36 | 0 | 500 | 174 | 500 | 0 |
| 1ST | 7+7/8 | 5+1/2 | 17 | 0 | 8,672 | 952 | 8,672 | 0 |

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

33. Comments Cascade's rights are subject to a Farmout Agreement with Anadarko Petroleum Corporation (mineral owner). Upon establishment of production, Cascade will earn lease covering the subject property. Conductor casing will not be used.

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: SAM SCHUESSLER

Title: ENGINEERING TECH Date: 12/19/2012 Email: sschuessler@cascadepetroleu

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: 1/17/2013

API NUMBER

05 073 06498 00

Permit Number: _____ Expiration Date: 1/16/2015

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) If production casing is set provide cement coverage to at least 200' above the Lansing, and cement Cheyenne/Dakota interval (5050'-4450' minimum). Run and submit CBL to verify cemented intervals.
- 3) If well is a dry hole set plugs at the following depths: 40 sks cement +/- 50' above the Morrow, 40 sks cement +/- 50' above the Cherokee, 40 sks cement +/- 50' above the Marmaton, 40 sks cement +/- 50' above any DST w/ show, 40 sks cement at 5050' up, 40 sks cement at 4450' up, 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface casing, cut 4 ft below GL, weld on plate, 5 sks cement each in rat hole and mouse hole.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

| Att Doc Num | Name |
|-------------|----------------------|
| 2485056 | SURFACE CASING CHECK |
| 400358884 | FORM 2 SUBMITTED |
| 400358964 | WELL LOCATION PLAT |
| 400358966 | TOPO MAP |
| 400360472 | SURFACE AGRMT/SURETY |
| 400360473 | CONSULT NOTICE |
| 400360474 | 30 DAY NOTICE LETTER |

Total Attach: 7 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|--------------------------|
| Permit | Final review completed; no public comment received. | 1/16/2013 1:39:59 PM |
| LGD | County Permit #1260 | 12/26/2012 9:11:10 AM |
| Permit | Operator will not be using conductor casing. (operator revision) | 12/26/2012 6:33:30 AM |

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)