

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:

400364631

Date Received:

01/08/2013

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

19860025

3. Name of Operator: TOP OPERATING COMPANY

4. COGCC Operator Number: 39560

5. Address: 10881 ASBURY AVE STE 230

City: LAKEWOOD State: CO Zip: 80227

6. Contact Name: Paul Herring Phone: (720)6631698 Fax: (303)7279915

Email: paul.herring@topoperating.com

7. Well Name: Runyan Well Number: 3

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

9. Proposed Total Measured Depth: 7883

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 17 Twp: 3N Rng: 68W Meridian: 6

Latitude: 40.220980 Longitude: -105.021320

Footage at Surface: 905 feet FSL 1118 feet FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 5046 13. County: WELD

14. GPS Data:

Date of Measurement: 11/14/2012 PDOP Reading: 1.9 Instrument Operator's Name: Adam Kelly

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 _____
660 FSL 1980 FEL 660 FSL 1980 FEL
Sec: 17 Twp: 3N Rng: 68W Sec: 17 Twp: 3N Rng: 68W

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: 898 ft

18. Distance to nearest property line: 131 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 897 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.)
J Sand	JSND	232-23	320	E/2
Niobrara/Codell	NB-CD	407-87	160	SE/4

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):

E/2 of Section 17, Township 3N, Range 68W lying South of Highland Ditch.

25. Distance to Nearest Mineral Lease Line: 800 ft 26. Total Acres in Lease: 219

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	400	250	400	0
1ST	7+7/8	4+1/2	11.6	0	7,883	375	7,883	6,500

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

33. Comments CLOSED LOOP SYSTEM NO CONDUCTOR PIPE WILL BE SET.

34. Location ID: 319066

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: Paul Herring

Title: Landman Date: 1/8/2013 Email: paul.herring@topoperating.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: 2/12/2013

API NUMBER
05 123 36766 00

Permit Number: _____ Expiration Date: 2/11/2015

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.

Operator must meet water well testing requirements per Rule 318A.

- 1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
1695464	EXCEPTION LOC WAIVERS
1695465	EXCEPTION LOC REQUEST
1695516	WAIVERS
1695517	VARIANCE REQUEST
400364631	FORM 2 SUBMITTED
400366413	DIRECTIONAL DATA
400366414	WELL LOCATION PLAT
400366416	DEVIATED DRILLING PLAN
400366433	SURFACE AGRMT/SURETY
400366555	LEASE MAP
400366568	LOCATION DRAWING
400366576	LOCATION PHOTO
400366617	30 DAY NOTICE LETTER
400366628	LGD CONSULTATION
400367595	DIRECTIONAL DATA

Total Attach: 15 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	2/12/2013 11:45:49 AM
Permit	Received and attached Variance Request to Rule 603.b.(2) property line letter. ok to pass.	2/6/2013 10:15:31 AM
Permit	Received and attached waivers. ON HOLD: w/o Request for exception to Rule 603.b.(2) property line letter.	2/6/2013 9:46:51 AM
Permit	ON HOLD: w/o property line waiver. or comment.	2/4/2013 11:23:01 AM
Engineer	total/casing depths don't agree with directional plan of 7883' TMD	1/28/2013 4:47:52 PM
Permit	Received and attached Exception loc letter and waiver. Changed distance to nearest well from 83' to 897' per operator. Changed lat/longs to match well plat. Form 2A submitted 1/22/13.	1/23/2013 9:48:25 AM
Permit	ON HOLD: w/o form 2A. Requesting Exception loc letter and waiver. Confirm distance to nearest well. Changed lat/longs to match well plat.	1/18/2013 11:05:26 AM
Permit	Operator requests approval of a Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window. Request and Waiver attached.	1/18/2013 11:03:18 AM
Permit	Operator removed topo map. Ready to pass completeness.	1/9/2013 3:17:57 PM
Permit	Returned to draft. Topo map will not open.	1/9/2013 3:07:28 PM

Total: 10 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Storm Water/Erosion Control	TOP Operating Co. will employ Best Management Practices to control storm water during construction which may include silt fences, riprap and soil retention measures. Practices will be determined based on the time that the location is made, considering potential weather conditions. TOP will also work with the surface owner in determining and implementing these measures.

Total: 1 comment(s)