

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:

2485391

Date Received:

01/22/2013

PluggingBond SuretyID

20120073

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: CHAMA OIL & MINERALS LLC

4. COGCC Operator Number: 10431

5. Address: PO BOX 50203

City: MIDLAND State: TX Zip: 79710

6. Contact Name: WILLIAM HEARD Phone: (432)683-8000 Fax: (432)683-8250

Email: BILL.HEARD@CHAMAOIL.COM

7. Well Name: PRONGHORN STATE 16-15-48

Well Number: 1-P

8. Unit Name (if appl):

Unit Number:

9. Proposed Total Measured Depth: 6200

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 16 Twp: 15s Rng: 48w Meridian: 6

Latitude: 38.736870

Longitude: -102.778480

Footage at Surface: 600 feet FNL/FSL 660 feet FEL/FWL
 FSL FEL

11. Field Name: WILDCAT

Field Number: 99999

12. Ground Elevation: 4265

13. County: CHEYENNE

14. GPS Data:

Date of Measurement: 08/08/2012 PDOP Reading: 2.2 Instrument Operator's Name: R. GABRIEL

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: 600 ft

18. Distance to nearest property line: 600 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5280 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.)
MORROW LIME (KEYES)	MR-KY			
SPERGEN	SPGN			
ST. LOUIS	STLS			

21. Mineral Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian Lease #: 1999.1222. Surface Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian23. 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):

SECTION 16 (ALL), T-15-S, R-48-W

25. Distance to Nearest Mineral Lease Line: 600 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: _____

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	505	340	505	0
1ST	8+3/4	7	26	0	5,750	400	5,750	3,400
2ND	6+1/8	4+1/2	13.5	0	9,300	0		

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

33. Comments UNPLANNED SIDETRACK: DRILLED TO 5198', STUCK PIPE - FISH ATTEMPT UNSUCCESSFUL. LEFT IN HOLE; BIT, MOTOR, UBHO, 2-NON-MAGNETIC STEEL DC. TOF 2906', LENGTH 126'. SPOTTED 340 SX CI H 2900-2118', DRESSED OFF TO 2150' KOP. DIRK SUTHPHIN APPROVED ST 01/22/2013.

34. Location ID: 430382

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: WILLIAM HEARD

Title: PROJECT DRILLING ENGINEER Date: 1/22/2013 Email: BILL.HEARD@CHAMAOIL.CO

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

05 017 07727 02

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.

1) Provide cement coverage from TD to at least 200' above the shallowest completed interval or 200' above Spergen, whichever is shallower. Cement across Cheyenne/Dakota aquifers (minimum 2050' – 1350'). Verify with CBL.
2) Plugback pilot hole: 40 sks cement +/- 50' above the Spergen, 40 sks cement +/- 50' above any DST w/ show.

Attachment Check List

Att Doc Num	Name
2485391	FORM 2 SUBMITTED

Total Attach: 1 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	The fish was left in the hole while drilling the pilot hole. This attempt to finish the pilot is considered sidetrack #2. The lateral which is about to be drilled remains sidetrack #1. All information remains the same as the original permit.	2/7/2013 9:34:30 AM

Total: 1 comment(s)

BMP

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

Total: 0 comment(s)