

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:

400363234

Date Received:

02/07/2013

PluggingBond SuretyID

19860025

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: 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: Haley Well Number: 3

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

9. Proposed Total Measured Depth: 7889

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 20 Twp: 3N Rng: 68W Meridian: 6

Latitude: 40.209220 Longitude: -105.033840

Footage at Surface: 1957 feet FSL 703 feet FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 5078 13. County: WELD

14. GPS Data:

Date of Measurement: 09/05/2012 PDOP Reading: 1.9 Instrument Operator's Name: Brian Rottinghaus

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
1326 FSL 1330 FWL 1326 FSL 1330 FWL
Sec: 20 Twp: 3N Rng: 68W Sec: 20 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: 608 ft

18. Distance to nearest property line: 657 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 909 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		320	W/2
Niobrara/Codell	NB-CD		160	SW/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):

S/2, Section 20, Township 3N Range 68W.

25. Distance to Nearest Mineral Lease Line: 1850 ft

26. Total Acres in Lease: 320

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
S.C. 1.1	7+7/8	4+1/2	11.6	0	7,889	375	7,889	6,500

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

33. Comments CLOSED LOOP SYSTEM NO CONDUCTOR PIPE WILL BE SET. The closest permitted well is the Haley 2 which is producing. The measurement is from the BHL of both wells. Surface Owners Agreement is part of the lease (see attachments). Proposed Spacing Unit: SW/4.

34. Location ID: 318870

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: 2/7/2013 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: 3/4/2013

API NUMBER
05 123 36940 00

Permit Number: _____ Expiration Date: 3/3/2015

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) 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.

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

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
1695554	30 DAY NOTICE LETTER
1695555	30 DAY NOTICE LETTER
400363234	FORM 2 SUBMITTED
400377075	DIRECTIONAL DATA
400377076	WELL LOCATION PLAT
400377077	DEVIATED DRILLING PLAN
400377078	TOPO MAP
400377119	SURFACE AGRMT/SURETY

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	3/1/2013 9:51:28 AM
Permit	Amended location. Added Location ID #318870. ok to pass.	2/19/2013 9:51:28 AM
Permit	This form has passed completeness.	2/8/2013 11:37:08 AM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)