

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:

400358501

Date Received:

12/14/2012

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

3. Name of Operator: BLACK HILLS PLATEAU PRODUCTION LLC

4. COGCC Operator Number: 10150

5. Address: 1515 WYNKOOP ST STE 500

City: DENVER State: CO Zip: 80202

6. Contact Name: Jessica Donahue Phone: (720)210-1333 Fax: (303)566-3344

Email: Jessica.Donahue@blackhillscorp.com

7. Well Name: Homer Deep Unit Well Number: 9-41BH

8. Unit Name (if appl): Homer Deep Unit Unit Number: COC72921X

9. Proposed Total Measured Depth: 17152

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 9 Twp: 8S Rng: 98W Meridian: 6

Latitude: 39.379660 Longitude: -108.323210

Footage at Surface: 474 feet FNL/FSL FNL 240 feet FEL/FWL FEL

11. Field Name: South Shale Ridge Field Number: 77760

12. Ground Elevation: 5483 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 11/20/2012 PDOP Reading: 2.7 Instrument Operator's Name: Aaron Grosch

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1108 FNL 280 FWL 280 FEL/FWL 1575 FSL 268 FWL 268
Bottom Hole: FNL/FSL 1575 FSL 268 FWL 268
Sec: 10 Twp: 8S Rng: 98W Sec: 14 Twp: 8S Rng: 98W

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: 519 ft

18. Distance to nearest property line: 835 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1222 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.)
Mancos	MNCS			

21. Mineral Ownership: Fee State Federal Indian Lease #: COC052682

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):

T8S R98W: NW4, NW4SW4, Sec. 14. This is a horizontal wellbore crossing fee and fed. leases.

25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 200

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
CONDUCTOR	24	20		0	80		80	0
SURF	17+1/2	13+3/8	54.5	0	560	300	560	0
1ST	12+1/4	9+5/8	40	0	5,550	1,430	5,550	200
2ND	6+1/8	4+1/2	11.6	0	17,152	676	17,152	7,009
1ST LINER	8+3/4	7	23	5350	7,669	302	7,669	5,350

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

33. Comments _____

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: Jessica Donahue

Title: Regulatory Technician Date: 12/14/2012 Email: Jessica.Donahue@blackhillscor

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:  Director of COGCC Date: 3/20/2013

API NUMBER

05 045 21934 00

Permit Number: _____ Expiration Date: 3/19/2015

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE GARFIELD COUNTY RULISON-FIELD NOTICE TO OPERATORS IS REQUIRED.

(3) Provide cement coverage from the intermediate casing shoe to a minimum of 200' above the shallowest-known producing horizon. Verify cement with a cement bond log.

•If the production liner is cemented, verify cement with a cement bond log.

Applicable Policies and Notices to Operators

Piceance Rulison Field - Notice to Operators.

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400358501	FORM 2 SUBMITTED
400358584	FED. DRILLING PERMIT
400358585	CONST. LAYOUT DRAWINGS
400358586	CONST. LAYOUT DRAWINGS
400358587	LOCATION PICTURES
400358588	WELL LOCATION PLAT
400358589	DRILLING PLAN
400358590	DEVIATED DRILLING PLAN
400358591	DEVIATED DRILLING PLAN
400358592	DIRECTIONAL DATA

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No LGD or public comments. Final Review--passed.	3/20/2013 7:43:25 AM
Permit	Corrected dist. to prop. line per oper. Corrected lease description per oper. Deleted multiple obj. fms.	2/6/2013 9:37:58 AM
Permit	Checked "YES" for #22 and #22a. Distance to nearest min. lease is 0'. Horizontal wellbore crosses multiple fee/fed leases. Distance to nearest unit boundary is 1108' (Top PZ).	1/7/2013 7:50:58 AM
Engineer	THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 110 FEET DEEP.	12/19/2012 3:01:59 PM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)