

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:

400360886

Date Received:

01/10/2013

PluggingBond SuretyID

20090029

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: HRM RESOURCES LLC

4. COGCC Operator Number: 10273

5. Address: 410 17TH STREET #1100

City: DENVER State: CO Zip: 80202

6. Contact Name: CLAYTON DOKE Phone: (970)669-7411 Fax: (970)669-4077

Email: cdoke@petersonenergy.com

7. Well Name: HINER Well Number: 42-36

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

9. Proposed Total Measured Depth: 7361

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 36 Twp: 6N Rng: 66W Meridian: 6

Latitude: 40.449640 Longitude: -104.718860

Footage at Surface: 858 feet FNL/FSL 734 feet FEL/FWL
FNL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4661 13. County: WELD

14. GPS Data:

Date of Measurement: 12/03/2012 PDOP Reading: 2.8 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
1987 FNL 656 FEL 1987 FNL 656 FEL
Sec: 36 Twp: 6N Rng: 66W Sec: 36 Twp: 6N Rng: 66W

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: 534 ft

18. Distance to nearest property line: 481 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 883 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.)
CODELL	CODL	381-17	160	NE/4
NIOBRARA	NBRR	381-17	160	NE/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):

MULTIPLE LEASES COVERING: TOWNSHIP 6 NORTH, RANGE 66 WEST, SECTION 36; NE/4

25. Distance to Nearest Mineral Lease Line: 534 ft

26. Total Acres in Lease: 160

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	500	165	500	0
1ST	7+7/8	4+1/2	11.6	0	7,361	153	7,361	6,701

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

33. Comments No conductor casing will be run. The well surface location and BHL is inside the 318A(I) GWA drilling window. Spacing unit and pooling order requests, vacating the existing 80-acre spacing units, replacing them with a 160 acre unit and pooling the NE/4, have been set for the February 2013 Commission Meeting Docket. The distance listed in question #17 (534') is to an out-building.

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: CLAYTON DOKE

Title: CONSULTANT

Date: 1/10/2013

Email: cdoke@petersonenergy.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: 3/20/2013

API NUMBER

05 123 37044 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.

Operator must meet Water Well Testing requirements as per amended Rule 318Ae(4)

1)Provide notice of MIRU via an electronic Form 42.

2)Comply with Rule 317.i and provide cement coverage to a minimum of 200' above the Niobrara. Verify cement coverage with a cement bond log per 317.o.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
2482102	SURFACE CASING CHECK
400360886	FORM 2 SUBMITTED
400361113	WELL LOCATION PLAT
400367868	DEVIATED DRILLING PLAN
400367869	DIRECTIONAL DATA
400370016	DIRECTIONAL DATA

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected surface and mineral owner information as per opr. Corrected to High Density as per submitted form 2A. Final Review Complete.	3/19/2013 9:36:56 AM
Permit	Conditions of Hearings have been met. Corrected spacing as per new Order and notified Opr. Requested clarification of mineral owner/lease	3/14/2013 9:08:18 AM
Permit	a 160 acre unit and pooling the NE/4, have been set for the February 2013 Commission Meeting Docket. Directional data did not come across. Requested from opr.	1/14/2013 11:12:16 AM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)