

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:

400405521

Date Received:

04/22/2013

APPLICATION FOR PERMIT TO:

1.  Drill,  Deepen,  Re-enter,  Recomplete and Operate

2. TYPE OF WELL

OIL  GAS  COALBED  OTHER LATERAL  
SINGLE ZONE  MULTIPLE  COMMINGLE

Refiling

Sidetrack

PluggingBond SuretyID

20120073

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: BROWN 28-24-49 Well Number: 1

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

9. Proposed Total Measured Depth: 8500

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 28 Twp: 24S Rng: 49W Meridian: 6

Latitude: 37.937900 Longitude: -102.907700

Footage at Surface: 660 feet FNL 660 feet FEL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 3921 13. County: BENT

14. GPS Data:

Date of Measurement: 08/15/2012 PDOP Reading: 3.1 Instrument Operator's Name: R. GABRIEL

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

Footage at Top of Prod Zone: 973 FNL 660 FEL Bottom Hole: 600 FSL 660 FEL  
Sec: 28 Twp: 24S Rng: 49W Sec: 28 Twp: 24S Rng: 49W

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: 4600 ft

18. Distance to nearest property line: 660 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| ATOKA                  | ATOK           |                         |                               |                                      |

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):

SECTION 28 (ALL), T24S, R49W

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: PLACE IN CUTTINGS PIT

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             | 504           | 240       | 504     | 0       |
| 1ST         | 8+3/4        | 7              | 26    | 0             | 4,850         | 300       | 4,850   | 3,400   |

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

33. Comments THE BROWN 28-24-49 #1 WAS DRILLED AS A VERTICAL HOLE IN 2012: TD 6300' AND PLUGGED BACK TO SURFACE CASING SHOE (NO OTHER CASING). PLAN TO DRILL LATERAL IN ATOKA AT APPROXIMATELY 4550' (DIRECTIONAL DRILLING PLAN ATTACHED). NO CONDUCTOR WAS SET. ONLY ONE MINERAL INTEREST OWNER IN ALL OF SECTION 28.

34. Location ID: 430234

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: 4/22/2013 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: 5/15/2013

**API NUMBER**

05 011 06200 01

Permit Number: \_\_\_\_\_ Expiration Date: 5/14/2015

**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) If production casing is set provide cement coverage to at least 200' above the Atoka. Verify with CBL.
- 2) If well is a dry hole set the following plugs: 40 sks cement +/- 50' above the Atoka, 40 sks cement across any zone or DST w/ show, 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface csg, cut 4 ft below GL, weld on plate.

**Applicable Policies and Notices to Operators**

Notice Concerning Operating Requirements for Wildlife Protection.

**Attachment Check List**

| Att Doc Num | Name                   |
|-------------|------------------------|
| 400405521   | FORM 2 SUBMITTED       |
| 400407121   | PLAT                   |
| 400407137   | DIRECTIONAL DATA       |
| 400408098   | DEVIATED DRILLING PLAN |

Total Attach: 4 Files

**General Comments**

| <b><u>User Group</u></b> | <b><u>Comment</u></b>   | <b><u>Comment Date</u></b> |
|--------------------------|---|----------------------------|
| Permit                   | Final review completed; no public comment received.   | 5/15/2013<br>12:00:13 PM   |
| Permit                   | Cuttings will go to the pit as indicated.   | 5/15/2013<br>11:55:02 AM   |
| LGD                      | Please notify the Land Use office of Bent County upon any movement to and from the Drill Site with trucks, equipment, man huts, etc. The contact for Bent County Land Use is Ronda Bucholz (719) 456 - 2223, 725 Bent Ave, Las Animas, CO 81054. We appreciate your co-operation. | 4/29/2013<br>9:34:56 AM    |
| Permit                   | Operator verified lease is 640 acres.   | 4/24/2013<br>9:53:33 AM    |
| Permit                   | Need to verify that lease is 640 acres rather than multiple leases totaling 640 acres.  | 4/24/2013<br>6:20:01 AM    |
| Permit                   | Received Deviated Drilling plan, removed the "re-entry" and gave comment concerning the mineral owners in the section. Passed completeness.   | 4/23/2013<br>12:14:06 PM   |
| Permit                   | Returned to DRAFT. No Deviated Drilling plan supplied, un-check the "re-entry" box and place a comment concerning the number of minerals owners in section 28.  | 4/23/2013<br>7:04:55 AM    |

Total: 7 comment(s)

**BMP**

| <b><u>Type</u></b> | <b><u>Comment</u></b> |
|--------------------|-----------------------|
|                    |                       |