

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:

400449565

Date Received:

07/23/2013

PluggingBond SuretyID

20090102

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: BLACK DIAMOND MINERALS LLC

4. COGCC Operator Number: 10244

5. Address: 1600 STOUT ST STE 1710

City: DENVER State: CO Zip: 80202

6. Contact Name: Mary Griggs Phone: (303)973-3228 Fax: (303)346-4893

Email: mgriggs@badminerals.com

7. Well Name: TPR Well Number: 112-16

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

9. Proposed Total Measured Depth: 16422

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 25 Twp: 7S Rng: 94W Meridian: 6

Latitude: 39.404367 Longitude: -107.832617

Footage at Surface: 603 feet FNL/FSL 1885 feet FEL/FWL
FSL FEL

11. Field Name: Mamm Creek Field Number: 52500

12. Ground Elevation: 9131 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 04/18/2008 PDOP Reading: 3.7 Instrument Operator's Name: Ben Johnson

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
684 FNL 240 FWL 684 FNL 240 FWL
Sec: 6 Twp: 8S Rng: 93W Sec: 6 Twp: 8S Rng: 93W16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 2514 ft

18. Distance to nearest property line: 2016 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1400 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			
NIOBRARA	NBRR			
Williams Fork	WMFK	139-90		

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. 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 ☐ No23b. 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):

SEE ATTACHED SHEET

25. Distance to Nearest Mineral Lease Line: 3605 ft

26. Total Acres in Lease: 1664

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	18	32	0	109		109	0
SURF	14+3/4	9+5/8	36	0	2623	1420	2623	0
1ST	8+3/4	7	29	0	11422	580	11422	6000
1ST LINER	6+1/8	4+1/2	15.5	10500	16422	650	16422	10500

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

33. Comments TPR Well Pad 25A has been constructed and no further surface disturbance will be necessary to drill, complete, and produce this well. No new Form 2A is submitted due to the following reasons: 1. The pad has been built. 2. The pit has been constructed. 3. The refiled well will not require any expansion/additional surface disturbance of the pad. 4. The location does not require a variance from any of the rules listed in Rule 306.d(1).(A).(ii); consultation with CDPHE is not required. 5. The location is not in a wildlife restricted surface occupancy area (RSO); consultation with CDOW is not required. "New Casing String" - A 1.9" Parasite string will be tied into the surface casing at a depth of approximately 2,300 ft. There is no change in the mineral ownership from the original application.

34. Location ID: 334457

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: Mary C. Griggs

Title: Reg/Environmental Date: 7/23/2013 Email: mgriggs@bdminerals.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: 9/6/2013

API NUMBER

05 045 22155 00

Permit Number: _____ Expiration Date: 9/5/2015

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.

COA Type

Description

	<p>(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.</p> <p>(2) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE GARFIELD COUNTY RULISON-FIELD NOTICE TO OPERATORS IS REQUIRED.</p> <p>(3) CEMENT ON PRODUCTION CASING MUST BE A MINIMUM OF 200' ABOVE THE TOP OF THE MESA-VERDE FORMATION (OR 200' ABOVE THE OHIO CREEK FORMATION IF PRESENT). CEMENT TOP VERIFICATION BY CBL IS REQUIRED.</p>
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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

400449565	FORM 2 SUBMITTED
400450506	DEVIATED DRILLING PLAN
400450507	DIRECTIONAL DATA
400450508	LEASE MAP
400455745	DEVIATED DRILLING PLAN
400455749	MULTI-WELL PLAN
400455754	PLAT

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
LGD	pass, gdb	8/12/2013 3:42:58 PM
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 00 FEET DEEP.	3/8/2013 4:31:31 PM
Engineer	"New Casing String" - A 1.9" Parasite string will be tied into the surface casing at a depth of approximately 2,300 ft. 1.9" diam -- this was removed from CASING tab and placed in comments.	3/8/2013 4:30:47 PM
Permit	This APD is for a new well that will be drilled at this location in Sec. 25 . An amended Form 2A has been submitted to add this well to the location. Operator owns surface and minerals at this location. Removed 10 acre unit for Williams Fork objective formation: Order 139-90 establishes 10 acre equivalent well density, but not units. Passes Permitting.	3/7/2013 3:50:59 PM
Permit	Passes Completeness.	7/29/2013 8:31:58 AM
Permit	Returned to DRAFT. The Deviated drilling plan doesn't have the horizontal and vertical profiles. The Well location Plat does not have the BHL section included.	7/25/2013 7:33:14 AM
Permit	Returned to draft. Incorrect plugging bond number. Asked opr to check GPS coordinates. This plots in the next qtr-qtr	7/24/2013 2:02:44 PM

Total: 7 comment(s)

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>