

FORM

2

Rev
08/13

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:

400473495

APPLICATION FOR PERMIT TO:

☐ Drill
 ☐ Deepen
 ☐ Re-enter
 ☒ Recomplete and Operate

Date Received:

08/28/2013

TYPE OF WELL OIL ☐ GAS ☐ COALBED ☐ OTHER Injection wellRefilling ☐ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☐Well Name: DEWEYWell Number: 2Name of Operator: BLACK RAVEN ENERGY INCCOGCC Operator Number: 10203Address: 1331 17TH STREET - #350City: DENVER State: CO Zip: 80202Contact Name: DAVID KUNOVICPhone: (303)308-1330Fax: (303)308-1590Email: dkunovic@blackravenenergy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20060159

WELL LOCATION INFORMATION

QtrQtr: NESW Sec: 24 Twp: 1N Rng: 58W Meridian: 6Latitude: 40.034400Longitude: -103.821830Footage at Surface: 1650 feet FNL/FSL FSL 2310 feet FEL/FWL FWLField Name: ADENAField Number: 700Ground Elevation: 4567County: MORGAN

GPS Data:

Date of Measurement: 10/11/2011 PDOP Reading: 2.1 Instrument Operator's Name: Theresa McCollumIf 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 _____

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ IndianThe Surface Owner is: ☐ is the mineral owner beneath the location.
(check all that apply) ☐ is committed to an Oil and Gas Lease.☐ has signed the Oil and Gas Lease.☐ is the applicant.The Mineral Owner beneath this Oil and Gas Location is: ☒ Fee ☐ State ☐ Federal ☐ IndianThe Minerals beneath this Oil and Gas Location will be developed by this Well: YesThe right to construct the Oil and Gas Location is granted by: BondSurface damage assurance if no agreement is in place: BlanketSurface Surety ID: 20110164

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

The E/2 Sec. 23; the SW/4, S/2NW/4 Sec. 24; the N/2NW/4 Sec. 25; the E/2, S/2NW/4, N/2SW/4, SW/4SW/4 Sec. 26, T1N, R58W, 6th PM

Total Acres in Described Lease: 1160 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 340 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 3308 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 2310 Feet

Above Ground Utility: 2301 Feet

Railroad: 5280 Feet

Property Line: 340 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: ☐ Buffer Zone
☐ Exception Zone
☐ Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: _____

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 1843 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 340 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

The Dewey #2 will be converted to a D sand water injection well in the D Sand Enhanced Recovery Unit that was approved by the COGCC Order 26-60. D Sand Unit: Sec 13: S2, Sec 14: S2SE4, Sec 23: NE4, N2SE4, Sec 24: NW4,N2SW4,E2

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
D SAND	DSND	26-60	1200	Sec 24:NW4,N2SW4,E2

DRILLING PROGRAM

Proposed Total Measured Depth: 5765 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1300 Feet (Including plugged wells)

Will a closed-loop drilling system be used? No

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H₂S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? No

BOP Equipment Type: ☐ Annular Preventor ☒ Double Ram ☐ Rotating Head ☐ None

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule N/A

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: _____ Drilling Fluids Disposal Methods: _____

Cuttings Disposal: _____ Cuttings Disposal Method: _____

Other Disposal Description: _____

This is a behind pipe D sand recompletion in a well that is currently perfed in the J sand. The J sand is not producing and is currently shut-in. There will not be any drilling waste (no drilling).

Beneficial reuse or land application plan submitted? _____

Reuse Facility ID: _____ or Document Number: _____

CASING PROGRAM

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12	8+5/8	26	0	108	75	108	0
1ST	7+7/8	5+1/2	15.5	0	5764	275	5764	4000

☒ Conductor Casing is NOT planned

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- ☐ Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- ☐ Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- ☐ Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- ☐ Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 318A.a. Exception Location (GWA Windows).
- ☐ Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

☐ Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number _____

OTHER LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 318.c. Exception Location from Rule or Spacing Order Number _____
- ☐ Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments: Nearest public road (2310') is the section line road that runs north south along the western edge of Section 24, 1N,R58W. Nearest property line (340') is the southern edge of the N/2SW1/4 of Section 24. Nearest well completed in the same formation (D Sand) (1843') is the Dewey #3. This permit is being submitted with a form 33, Injection Well Permit Application (mailed separately) and a Form 4. The Dewey #2 will be converted to a D sand water injection well in the D Sand Enhanced Recovery Unit that was approved under COGCC order 26-60. A form 2A is not required for this recompletion because no pit will be constructed and there will be no additional surface disturbance beyond the originally disturbed area. No conductor casing was used when this well was drilled; the casing consists of surface casing and a production string.

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 313668

Is this application being submitted with an Oil and Gas Location Assessment application? _____ No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: DAVID KUNOVIC

Title: VP Exploration Date: 8/28/2013 Email: dkunovic@blackravenenergy.c

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: 11/10/2013

Expiration Date: 11/09/2015

API NUMBER

05 087 05185 00

Conditions Of Approval

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**

	1) Provide remedial cement from 250' to at least 50' above surface casing shoe (due to WW Permit #0041777, 160' deep, located SWSW13-1N-58W). 2) Injection is not authorized until approval of forms 31 and 33. 3) Prior approval of form 4 is required for step rate and injectivity tests.
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Best Management Practices**No BMP/COA Type****Description**

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Data retrieval failed for the subreport 'ImpPolicy_NTO' located at: \\DorDorSterling\FarmReports\policy_nto.rdl. Please

Attachment Check List**Att Doc Num****Name**

400473495	FORM 2 SUBMITTED
400473935	WELLBORE DIAGRAM
400473936	WELLBORE DIAGRAM

Total Attach: 3 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No LGD or public comments. Final Review--passed.	10/30/2013 10:28:03 AM
Permit	Oper. is unit operator and has blanket SUA for unit. Using surface bond for recompletion work.	10/23/2013 8:35:30 AM
Permit	Corrected dist. to nearest well penetrating D Sd. Corrected unit configuration desc.	10/21/2013 8:35:56 AM
Permit	Form 4 approved. Form 33 submitted 9/3/2013. Corrected well type to injection well.	9/17/2013 10:15:29 AM
Permit	Passed completeness.	8/30/2013 1:07:23 PM
Permit	Returned to draft. Requested surface and minerals information and comment regarding mud disposal.	8/29/2013 6:58:06 AM

Total: 6 comment(s)