

**APPLICATION FOR PERMIT TO:**

Drill     
  Deepen     
  Re-enter     
  **Recomplete and Operate**

|   |                                    |
|---|------------------------------------|
| TYPE OF WELL    OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____             | Refiling <input type="checkbox"/>  |
| ZONE TYPE    SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/> | Sidetrack <input type="checkbox"/> |

Date Received:  
03/13/2014

Well Name: LAUGHLIN, R J      Well Number: 6  
 Name of Operator: BLACK RAVEN ENERGY INC      COGCC Operator Number: 10203  
 Address: 1331 17TH STREET - #350  
 City: DENVER      State: CO      Zip: 80202  
 Contact Name: DAVID KUNOVIC      Phone: (303)308-1330      Fax: (303)308-1590  
 Email: dkunovic@enerjexresources.com

**RECLAMATION FINANCIAL ASSURANCE**  
 Plugging and Abandonment Bond Surety ID: 20090159

**WELL LOCATION INFORMATION**

QtrQtr: LOT 2      Sec: 18      Twp: 1N      Rng: 57W      Meridian: 6  
 Latitude: 40.052361      Longitude: -103.807838

Footage at Surface:      2318      feet      FNL      957      feet      FWL  
FNL/FSL      FEL/FWL

Field Name: ADENA      Field Number: 700  
 Ground Elevation: 4525      County: MORGAN

GPS Data:  
 Date of Measurement: 09/29/2011    PDOP Reading: 2.5    Instrument Operator's Name: THERSA MCCOLLUM

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

Sec: \_\_\_\_\_ Twp: \_\_\_\_\_ Rng: \_\_\_\_\_     
 Sec: \_\_\_\_\_ Twp: \_\_\_\_\_ Rng: \_\_\_\_\_

**LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT**

Surface Ownership:     Fee       State       Federal       Indian

The 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       Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well:    Yes

The right to construct the Oil and Gas Location is granted by:    Bond

Surface damage assurance if no agreement is in place:    Blanket      Surface 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.)

T1N - R57W, SECTION 18, NW/4 & N/2SW/4

Total Acres in Described Lease: 240 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: 957 Feet

**CULTURAL DISTANCE INFORMATION**

Distance to nearest:

Building: 5280 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 957 Feet

Above Ground Utility: 65 Feet

Railroad: 5280 Feet

Property Line: 957 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: 1336 Feet

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

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

**SPACING & FORMATIONS COMMENTS**

This well is currently a SI J Sand producer in the Adena J sand Unit. Black Raven plans to reactivate the well as a J Sand producer from the current perforations. If the J Sand is not productive, then the well will be recompleted in the D sand.

**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           | 26-1                    | 40                            | S.18:SWNW                            |
| J SAND                 | JSND           | 26-31                   |                               |                                      |

**DRILLING PROGRAM**

Proposed Total Measured Depth: 5657 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1336 Feet (Including plugged wells)

Will a closed-loop drilling system be used? No

Is H<sub>2</sub>S 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 recompletion. There will be no 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+1/4       | 8+5/8          | 24        | 0             | 100           | 75        | 100     | 0       |
| 1ST         | 7+7/8        | 5+1/2          | 14 & 15.5 | 0             | 5655          | 225       | 5655    | 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 above ground utility is 65 feet from site. This utility line is owned by Black Raven and was used to power the submersible pump when the well was active. The line will be de-activated when the work-over rig is on location. Nearest property line is 957 feet. No buildings within one mile. This well is currently a SI J sand producer. If the J sand recompletion is not successful, then the well will be completed in the D sand. Plan to set a CIBP above the J sand perms and recomplete in the D sand. A form 2A is not required for this recompletion because no pit will be constructed and there will be no surface disturbance beyond the originally disturbed area. No conductor csg was set when the well was drilled; the casing consists of surface casing and a production string.

This application is in a Comprehensive Drilling Plan \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: 313708

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: 3/13/2014 Email: dkunovic@enerjexresources.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: 4/8/2014  
Expiration Date: 04/07/2016

|                   |
|-------------------|
| <b>API NUMBER</b> |
| 05 087 05303 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.

| <b>COA Type</b> | <b>Description</b>   |
|-----------------|--|
|                 | Pass and submit MIT with chart or have witnessed by COGCC. |

**Best Management Practices**

| <b>No BMP/COA Type</b> | <b>Description</b> |
|------------------------|--------------------|
|                        |                    |

**Applicable Policies and Notices to Operators**

Notice Concerning Operating Requirements for Wildlife Protection.

**Attachment Check List**

| <b>Att Doc Num</b> | <b>Name</b>      |
|--------------------|------------------|
| 2157570            | PROCEDURE        |
| 400570369          | FORM 2 SUBMITTED |
| 400570727          | WELLBORE DIAGRAM |
| 400570729          | WELLBORE DIAGRAM |

Total Attach: 4 Files

## General Comments

| <u>User Group</u> | <u>Comment</u>   | <u>Comment Date</u>   |
|-------------------|--|-----------------------|
| Permit            | Off Hold: confirmed this well is not located in the D Sand Secondary Recovery Unit at Adena Field.<br>Deleted J sand unit acreage and configuration. Order 26-31 established secondary recovery unit for J sand. | 4/8/2014 1:32:10 PM   |
| Permit            | No LGD or public comments.<br>Final Review--passed.  | 4/4/2014 12:56:13 PM  |
| Permit            | Corrected well name and qtr/qtr designation.<br>Oper. submitted recompletion procedure.  | 3/20/2014 3:04:07 PM  |
| Permit            | Oper. has blanket SUA for unit.<br>Req'd recompletion procedure.   | 3/18/2014 11:50:14 AM |

Total: 4 comment(s)