

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:

400556810

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER _____

Refiling ☐

Date Received:

02/18/2014

ZONE TYPE SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Dakota 33-5

Well Number: #21-3

Name of Operator: PETROX RESOURCES INC

COGCC Operator Number: 69805

Address: P O BOX 2600

City: MEEKER State: CO Zip: 81641

Contact Name: Mike Clark

Phone: (970)878-5594

Fax: (970)878-4489

Email: mike.petroxcbm@gmail.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20090113

WELL LOCATION INFORMATION

QtrQtr: SWNW Sec: 21 Twp: 33N Rng: 5W Meridian: N

Latitude: 37.092990

Longitude: -107.404010

Footage at Surface: 1736 feet FNL/FSL FNL 790 feet FEL/FWL FWL

Field Name: IGNACIO BLANCO

Field Number: 38300

Ground Elevation: 6235

County: ARCHULETA

GPS Data:

Date of Measurement: 01/11/2011 PDOP Reading: 2.3 Instrument Operator's Name: Scott Weibe

If well is ☒ Directional ☐ Horizontal (highly deviated) submit deviated drilling plan.

Footage at Top of Prod Zone: FNL/FSL FNL/FWL Bottom Hole: FNL/FSL FEL/FWL

1986 FNL 790 FWL 1986 FNL 790 FWL
Sec: 21 Twp: 33N Rng: 5W Sec: 21 Twp: 33N Rng: 5W

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: Surface Use Agreement

Surface damage assurance if no agreement is in place: Surface Surety ID:

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.)

S/2N/2 SEC 21 T33N, R5W N.M.P.M.

Total Acres in Described Lease: 160 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: _____ Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1350 Feet

Building Unit: 1350 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 2560 Feet

Above Ground Utility: 2000 Feet

Railroad: 5280 Feet

Property Line: 790 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: 5280 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 790 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Not spaced

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
DAKOTA	DKTA			
MANCOS	MNCS			
MESAVERDE	MVRD			

DRILLING PROGRAM

Proposed Total Measured Depth: 8150 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 5280 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? _____ (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 609

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Commercial Disposal

Cuttings Disposal: ONSITE Cuttings Disposal Method: Cuttings trench

Other Disposal Description:

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	9+5/8	36#/FT	0	1500	650	1500	0
1ST	8+7/5	7+0/0	26#/FT.	0	7660	1250	7660	0
1ST LINER	6+1/4	4+1/2	11.6#/FT.	7200	8150	150	8150	7200

☒ 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 THIS WILL BE DRILLED ON THE WRIGHT 33-5 #21-1 WELL OWNED BY PETROX RESOURCES. AN ANTI-COLLISION IS ATTACHED

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

Location ID: 378717

Is this application being submitted with an Oil and Gas Location Assessment application? Yes

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

Signed: _____ Print Name: Barbara J Vaughn

Title: Administrative Assistant Date: 2/18/2014 Email: barb.petroxcbm@gmail.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:  Director of COGCC Date: 4/22/2014

Expiration Date: 04/21/2016

API NUMBER

05 007 06316 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

	Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire well bore and to adequately verify the setting depth of surface casing and aquifer coverage. On a multi-well pad, these open hole logs are only required on one of the first wells drilled on the pad and the Drilling Completion Report - Form 5 for every well on the pad shall identify which well was logged.
	1) Provide 48 hour notice of spud via eform 42 2) Provide a minimum of 200 feet of cement above the shallowest hydrocarbon bearing zone 3) Run and submit cement bond logs on both the intermediate casing and partial liner (1st string/1st liner).

Best Management Practices

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

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
1857417	SELECTED ITEMS REPORT
2519052	DEVIATED DRILLING PLAN
2519053	ANTI-COLLISION REPORT
2519059	WELL LOCATION PLAT
400556810	FORM 2 SUBMITTED
400556842	SURFACE AGRMT/SURETY
400556846	DRILLING PLAN
400590069	DIRECTIONAL DATA

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Engineer	The operator (Mike Clark-President) changed their mind and decided not to use conductor pipe.	4/22/2014 9:30:06 AM
Permit	Final review completed; no LGD or public comment received.	4/16/2014 10:48:54 AM
Permit	Operator submitted new attachments to revise drilling plan to a directional well placing the productive interval more than 600 feet from the lease line.	4/15/2014 10:22:23 AM
Permit	Distance to lease line appears to be less than required.	4/7/2014 9:45:36 AM
Permit	Revised distance to well permit or completed in the same objective/objectives. Revised distance to well penetrating the objective/objectives.	2/27/2014 6:29:14 AM
Permit	Operator removed reference to unit acreage. Operator removed FED unit ID number. Operator revised distance to building and building unit.	2/27/2014 6:24:57 AM
Permit	Operator has sent in necessary attachments to the form 2A. This form is no longer on-hold.	2/27/2014 6:22:57 AM
Permit	Operator submitted a deviated drilling plan for a well that is verticle. Operator stance is that it's necessary supporting documentation regarding anti-collision.	2/25/2014 7:40:09 AM
Permit	What is the order that defines 160 acre units for the Mesaverde, Dakota, and Mancos?	2/25/2014 7:35:13 AM
Permit	What is the Fed unit name of 068668X?	2/25/2014 7:32:56 AM
Permit	Distance to builing and building unit appears incorrect. Distance to public road appears incorrect.	2/25/2014 7:30:44 AM
Permit	Distance to another well completed to the same objective appears to be more than one mile and not 50'. And distance to another well penetrating the objectives listed on this permit appears to be more than 1 mile and not 50'.	2/25/2014 7:24:08 AM
Permit	Passed completeness.	2/19/2014 2:02:41 PM

Total: 13 comment(s)