

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Date Received:
06/03/2014

TYPE OF WELL OIL GAS COALBED OTHER _____

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refiling
Sidetrack

Well Name: Federal Well Number: 14/15-1-21

Name of Operator: DEJOUR ENERGY (USA) CORPORATION COGCC Operator Number: 10301

Address: 1401 17TH STREET #850

City: DENVER State: CO Zip: 80202

Contact Name: Neyeska Mut Phone: (303)296-3535 Fax: (303)296-3888

Email: ngmut@dejour.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: SENE Sec: 21 Twp: 6S Rng: 91W Meridian: 6

Latitude: 39.514322 Longitude: -107.552555

Footage at Surface: 2375 feet ^{FNL/FSL} FNL 758 feet ^{FEL/FWL} FEL

Field Name: KOKOPELLI Field Number: 47525

Ground Elevation: 6932 County: GARFIELD

GPS Data:
Date of Measurement: 04/21/2010 PDOP Reading: 3.0 Instrument Operator's Name: Kyle Tesky

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

Footage at Top of Prod Zone: ^{FNL/FSL} 1810 ^{FEL/FWL} FNL 616 ^{FEL} Bottom Hole: ^{FNL/FSL} 164 ^{FEL/FWL} FNL 666 ^{FEL}

Sec: 21 Twp: 6S Rng: 91W Sec: 21 Twp: 6S Rng: 91W

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.)

Sec 21: E2NE, SESW, SWSE; Sec 22: SWNW, W2SW, SESW; Sec 25, SWSW; Sec 26: S2

The Surface Use Agreement with Colorado Parks and Wildlife is already on file with COGCC as part of a previous Form 2A filing - COGCC Document #400210492. It is a very lengthy document 50+ pages for the legal portion and 1000+ pages for the entire SUA. Please contact Rick Obernolte at (303) 660-9633 for details or for an additional copy.

Total Acres in Described Lease: 680 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # COC-066370

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 164 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 3548 Feet
Building Unit: 5280 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 3000 Feet
Above Ground Utility: 3628 Feet
Railroad: 5280 Feet
Property Line: 200 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: 1342 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): N/A Unit Number: N/A

SPACING & FORMATIONS COMMENTS

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Mesaverde-Wms Fork	WMFK			

DRILLING PROGRAM

Proposed Total Measured Depth: 7913 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 329 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

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 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? No

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
CONDUCTOR	18	14	54	0	60	100	60	0
SURF	12+1/4	8+5/8	24	0	1500	800	1500	0
1ST	7+7/8	4+1/2	11.6	1300	7900	740	7900	1300

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 application is in a Comprehensive Drilling Plan No CDP #: _____

Location ID: _____

Is this application being submitted with an Oil and Gas Location Assessment application? 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: Rick Obernolte

Title: Agent Date: 6/3/2014 Email: rickobe1@aol.com

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: _____

Expiration Date: _____

API NUMBER

05

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.

Best Management Practices

No BMP/COA Type

Description

No BMP/COA Type	Description

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400209869	FORM 2 SUBMITTED
400620603	DRILLING PLAN
400620605	DEVIATED DRILLING PLAN
400620612	WELL LOCATION PLAT
400622188	DIRECTIONAL DATA
400623065	SURFACE AGRMT/SURETY
400623067	SURFACE AGRMT/SURETY

Total Attach: 7 Files

General Comments

User Group	Comment	Comment Date
Permit	Return to draft. SUA attachment does not open.	3/9/2014 8:34:21 AM
Permit	Return to draft: 1. Directional data template not attached and not imported. 2. Missing related forms number. 3. Right to construct selected as SUA, but missing SUA attachment	3/4/2014 3:21:32 PM
Permit	Return to draft: 1. Well plats for other wells on pad attached. 2. Directional data template not attached and not imported. 3. Deviated drilling plan not attached. 4. Water well sampling rule blank. 5. Missing related forms number. 6. Attachments for 2A attached. Asked operator to remove.	6/4/2014 10:25:55 AM

Total: 3 comment(s)