

**APPLICATION FOR PERMIT TO:**

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

Date Received:  
03/14/2014

TYPE OF WELL   OIL    GAS    COALBED    OTHER \_\_\_\_\_      Refilling

ZONE TYPE      SINGLE ZONE    MULTIPLE ZONES    COMMINGLE ZONES       Sidetrack

Well Name: CLAR      Well Number: A-5

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: 20060159

**WELL LOCATION INFORMATION**

QtrQtr: NENE      Sec: 13      Twp: 1N      Rng: 58W      Meridian: 6

Latitude: 40.055941      Longitude: -103.812435

Footage at Surface: 990 feet      FNL/FSL FNL 330 feet      FEL/FWL FEL

Field Name: ADENA      Field Number: 700

Ground Elevation: 4527      County: MORGAN

GPS Data:  
Date of Measurement: 09/30/2011      PDOP Reading: 2.8      Instrument Operator's Name: THERESA 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: oil and gas lease

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.)

T1N - R58W, SECTION 13, NE/4 AND N/2SE/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: 330 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: 330 Feet

Above Ground Utility: 85 Feet

Railroad: 5280 Feet

Property Line: 330 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: 1264 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 shut-in (SI) J-Sand producer in the Adena J Sand Unit. Black Raven plans to reactivate the J sand 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	NENE
J SAND	JSND	26-31		

**DRILLING PROGRAM**

Proposed Total Measured Depth: 5670 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1264 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	103	75	103	0
1ST	7+7/8	5+1/2	14 & 15.5	0	5664	225	5664	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

The location footage numbers are correct from the nearest section line and the location has been re-surveyed (NAD83). Nearest above ground utility is 85 ft. from site. This utility line is owned by Black Raven - it was used to power the submersible pump when the well was producing. This power line will be deactivated when the work is being done. Nearest property line is 330 ft from site. The well is currently a shut-in J Sand producer which we plan to reactivate. If the J Sand reactivation is not successful, then the well will be recompleted in the D Sand. Plan to set a CIBP above the current 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 casing was set when the well was drilled; the casing consists of a surface string and a production string.

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

Location ID: 313712

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: 3/14/2014 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: 7/12/2014

Expiration Date: 07/11/2016

### API NUMBER

05 087 05323 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

	Run and submit CBL confirming top of cement at least 200' above D-sand, per Rule 317i. Provide remedial cement as needed to comply.
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## Best Management Practices

### No BMP/COA Type

### Description

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## Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

## Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400571065	FORM 2 SUBMITTED
400571483	WELLBORE DIAGRAM
400571595	WELLBORE DIAGRAM
400574721	OTHER

Total Attach: 4 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No LGD or public comments. Final Review--passed.	4/9/2014 9:44:00 AM
Permit	Oper. does not have new survey plat. Oper. submitted re-calculated footages based on lat/long. Corrected dist. to J sand unit boundary. Corrected spacing order for J. Location is not in D sand unit.	3/26/2014 9:22:17 AM
Permit	Req'd new survey plat.	3/20/2014 3:10:32 PM
Permit	This form has passed completeness.	3/19/2014 3:35:56 PM
Permit	Returned to draft: 1) Plugging bond incorrect. 2) Is committed to O&G lease isn't checked. 3) 85' from Above Ground Utility is within Rule 603 setback. 4) Need recompletion procedure attachment. 5) Need updated Well Location Plat with Latitude/Longitude & GPS.	3/19/2014 11:20:45 AM
Permit	Returned to draft: 1) GR elevation incorrect? 2) SHL footages incorrect? 3) SO committed to lease? 4) Need recompletion procedure attachment.	3/17/2014 9:27:19 AM

Total: 6 comment(s)