

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Date Received:
02/03/2014

TYPE OF WELL OIL GAS COALBED OTHER _____ Refilling

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES Sidetrack

Well Name: Bledsoe Well Number: 1-23

Name of Operator: INVESTMENT EQUIPMENT LLC COGCC Operator Number: 10330

Address: 17509 COUNTY ROAD 14

City: FT MORGAN State: CO Zip: 80701

Contact Name: Ted Pagano Phone: (970)5903944 Fax: (303)3951530

Email: theodorepagano@yahoo.com

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 20100051

WELL LOCATION INFORMATION

QtrQtr: NENE Sec: 23 Twp: 11S Rng: 52W Meridian: 6

Latitude: 39.079790 Longitude: -103.183960

Footage at Surface: 652 feet FNL/FSL 651 feet FEL/FWL

Field Name: WILDCAT Field Number: 99999

Ground Elevation: 5282.45 County: LINCOLN

GPS Data:
Date of Measurement: 08/16/2013 PDOP Reading: 1.6 Instrument Operator's Name: Elijah Frane

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.)

Township 13 South, Range 51 West, 6th Principle
Section 23: ALL

Total Acres in Described Lease: 640 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: 651 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 3652 Feet
 Building Unit: 5280 Feet
 High Occupancy Building Unit: 5280 Feet
 Designated Outside Activity Area: 5280 Feet
 Public Road: 5280 Feet
 Above Ground Utility: 3652 Feet
 Railroad: 5280 Feet
 Property Line: 651 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 _____ Feet (Enter 5280 for distance greater than 1 mile.)

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

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.)
CHEROKEE	CHRK			
MARMATON	MRTN			
MISSISSIPPIAN	MSSP			

DRILLING PROGRAM

Proposed Total Measured Depth: 7260 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 3344 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: ONSITE Drilling Fluids Disposal Methods: Evaporation

Cuttings Disposal: ONSITE Cuttings Disposal Method: Drilling pit

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	17+1/2	13+3/8	48	0	357	375	357	0
1ST	7+7/8	5+1/2	14	0	7250	240	7250	5730
			Stage Tool		3530	210	3530	2530

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 Established Oil and Gas Location ID 387078. Established Wellbore, API No. 05-073-06125. 2nd time this location and wellbore has been permitted.

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

Location ID: 387078

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: Ted Pagano

Title: Agent Date: 2/3/2014 Email: tapagano@helena-

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: 4/9/2014

Expiration Date: 04/08/2016

API NUMBER

05 073 06125 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 48 hour notice prior to spud via electronic Form 42.
- 2) If production casing is set provide cement coverage to at least 200' above shallowest completed interval or CHRK whichever is shallower and cement Cheyenne/Dakota interval: (3980'-3250' minimum). Run and submit CBL to verify cemented intervals.
- 3) If well is a dry hole set plugs at the following depths: 40 sks cement at top of MSSP, 40 sks cement at top of CHRK, 40 sks cement +/- 50' above any DST w/ show, 40 sks cement at 3980' up, 40 sks cement at 3250' up, 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface casing, cut 4 ft below GL, weld on plate, 5 sks cement each in rat hole and mouse hole.

Best Management Practices

No	BMP/COA Type	Description
1	Planning	<p>BMP Plan</p> <p>Investment Equipment, LLC 17509 COUNTY ROAD 14 FT MORGAN , CO 80701 c/o Ted Pagano 970-590-3944</p> <p>Stormwater Discharges Associated with Construction Oil and Gas Activity. Application has been filed with Colorado Department of Public Health and Environment Water Quality Control Division and is pending. Approved permit will be in place before any dirt work begins, if any.</p> <p>Re-Entry, Bledsoe 1-23 well T11S, R51W Sec. 12: NE/4 Cheyenne County, Colorado Description of Well Site and Construction Area</p> <p>1-3 acre site with access road for drilling of oil and gas well. Terrain is flat dry Rangeland ground containing native grass species. No receiving waters will be affected by well pad. There will be one drilling pit associated with the drillsite unless shallow groundwater is encountered, whereby the pit will be lined or a closed loop system deployed. Disturbed areas will be reseeded within 6 months weather permitting. Silt fences will be installed on low side site of drill site. Topsoil will be separated and spread on drill site as final operation before reseeding operations. To prevent soil erosion site will be disked and straw crimped in. Stormwater Management Plan (SWMP) is on file in Investment Equipment, LLC Office.</p> <p>Spill Prevention, Control and Countermeasure Plan is on file in Investment Equipment, LLC Office.</p>

Total: 1 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
2519037	WELLBORE DIAGRAM
2519038	PROPOSED RE-ENTRY PROCEDURE
400545186	APD APPROVED
400549416	WELL LOCATION PLAT
400549418	WAIVERS
400549426	WAIVERS
400549428	ACCESS ROAD MAP
400586482	FORM 2 SUBMITTED

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no public comment received.	4/1/2014 2:42:11 PM
Permit	Attached proposed re-entry procedure attachments	4/1/2014 2:40:45 PM
Permit	Requested wellbore diagram and proposed re-entry procedure attachments.	3/19/2014 8:39:28 AM
LGD	County Permit #1359	2/4/2014 11:05:35 AM
Permit	Passed completeness. Note: Reviewer corrected P & A Bond Surety ID, which was missing the last digit.	2/4/2014 10:21:00 AM

Total: 5 comment(s)