



STATE OF MISSOURI  
GEOLOGICAL SURVEY PROGRAM  
APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

JUL 22 2011

Oil & Gas Council

APPLICATION TO DRILL     DEEPEN     PLUG BACK     FOR AN OIL WELL     OR GAS WELL

NAME OF COMPANY OR OPERATOR: INVESTMENT EQUIPMENT LLC  
DATE: 07/20/2011

ADDRESS: 17509 County Road 14  
CITY: Fort Morgan  
STATE: Co.  
ZIP CODE: 80701

DESCRIPTION OF WELL AND LEASE

NAME OF LEASE: Watkins  
WELL NUMBER: #2  
ELEVATION (GROUND): 1033'

WELL LOCATION (GIVE FOOTAGE FROM SECTION LINES):  
1650 ft. from  North  South section line 1650 ft. from  East  West section line

WELL LOCATION: Sec. 32 Township 65 North Range 39  East  West  
LATITUDE: \_\_\_\_\_ LONGITUDE: \_\_\_\_\_ COUNTY: Atchinson

NEAREST DISTANCE FROM PROPOSED LOCATION TO PROPERTY OR LEASE LINE: 330 FEET  
DISTANCE FROM PROPOSED LOCATION TO NEAREST DRILLING, COMPLETED OR APPLIED - FOR WELL ON THE SAME LEASE: 660 FEET

PROPOSED DEPTH: 1400'  
DRILLING CONTRACTOR, NAME AND ADDRESS: Investment Equipment  
ROTARY OR CABLE TOOLS: workover rig  
APPROX. DATE WORK WILL START: 08/08/2011

NUMBER OF ACRES IN LEASE: 80  
NUMBER OF WELLS ON LEASE INCLUDING THIS WELL, COMPLETED IN OR DRILLING TO THIS RESERVOIR: 5  
NUMBER OF ABANDONED WELLS ON LEASE: \_\_\_\_\_

IF LEASE PURCHASED WITH ONE OR MORE WELLS DRILLED, FROM WHOM PURCHASED?  
NAME: \_\_\_\_\_ ADDRESS: \_\_\_\_\_  
NO. OF WELLS PRODUCING: 3  
INJECTION: 1  
INACTIVE: \_\_\_\_\_  
ABANDONED: \_\_\_\_\_

STATUS OF BOND:  SINGLE WELL AMOUNT \$ \_\_\_\_\_  
 BLANKET BOND AMOUNT \$ 75,000 (with handwritten 82,000)  
 ON FILE  
 ATTACHED

REMARKS: (IF THIS IS AN APPLICATION TO DEEPEN OR PLUG BACK, BRIEFLY DESCRIBE WORK TO BE DONE, GIVING PRESENT PRODUCING/INJECTION ZONE AND EXPECTED NEW INJECTION ZONE; USE BACK OF FORM IF NEEDED)

Plan to re-enter and clean out this plugged well and put into production. Target zone is TARKIO @ 1392'

PROPOSED CASING PROGRAM				APPROVED CASING - TO BE FILLED IN BY STATE GEOLOGIST			
AMOUNT	SIZE	WT/FT	CEMENT	AMOUNT	SIZE	WT/FT	CEMENT
200	7 5/8		to surface	200	7 5/8"	~ 15	FV11 Length
	(Done Already)						

I, the Undersigned, state that I am the co-owner of the above (Company), and that I am authorized by said company to make this report, and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct, and complete to the best of my knowledge.

SIGNATURE: *Jim Chisholm*  
DATE: 07/20/2011

PERMIT NUMBER: 005-20051  
APPROVED DATE: 9-8-11  
APPROVED BY: *Joseph A. Hillman*

DRILLER'S LOG REQUIRED     E-LOGS REQUIRED IF RUN  
 CORE ANALYSIS REQUIRED IF RUN     DRILL SYSTEM TEST INFO REQUIRED IF RUN  
 SAMPLES REQUIRED  
 SAMPLES NOT REQUIRED  
 WATER SAMPLES REQUIRED AT

NOTE: THIS PERMIT NOT TRANSFERABLE TO ANY OTHER PERSON OR TO ANY OTHER LOCATION.

APPROVAL OF THIS PERMIT BY THE OIL AND GAS COUNCIL DOES NOT CONSTITUTE ENDORSEMENT OF THE GEOLOGIC MERITS OF THE PROPOSED WELL NOR ENDORSEMENT OF THE QUALIFICATIONS OF THE PERMITTEE

I, \_\_\_\_\_ of the \_\_\_\_\_ (Company), confirm that an approved drilling permit has been obtained by the owner of this well. Council approval of this permit will be shown on this form by presence of a permit number and signature of authorized council representative.

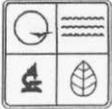
DRILLER'S SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

Tarkio E.

OK/KR  
8/31/11

JUL 22 2011

FORM OGC-4



STATE OF MISSOURI  
MISSOURI DEPARTMENT OF NATURAL RESOURCES  
GEOLOGICAL SURVEY PROGRAM  
**WELL LOCATION PLAT**

Mo Oil & Gas Council

OWNER'S NAME  
INVESTMENT EQUIPMENT, LLC

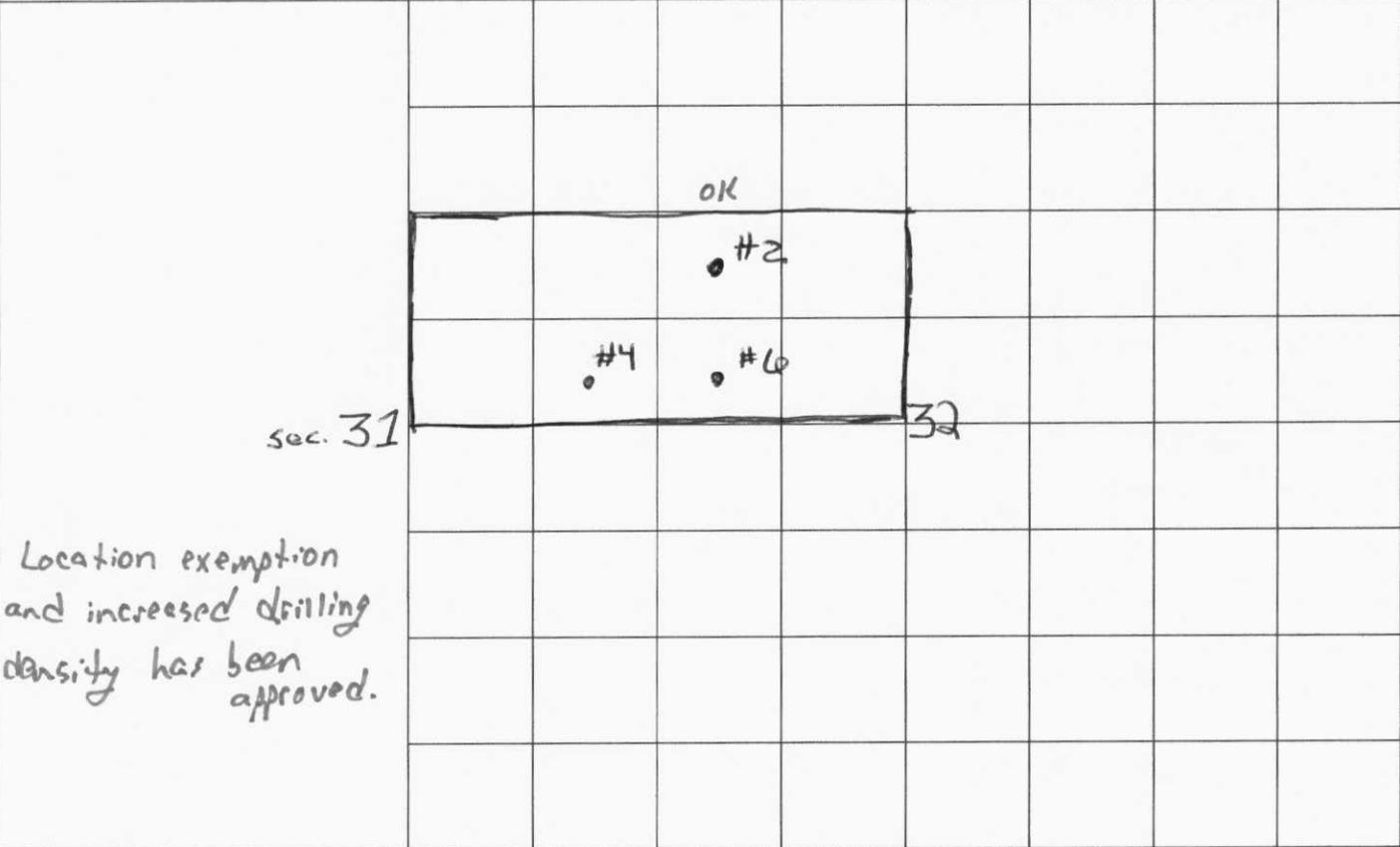
LEASE NAME  
WATKINS #2

COUNTY  
Atchinson

WELL LOCATION (GIVE FOOTAGE FROM SECTION LINES)  
1650 ft. from  North  South from section line 1650 ft. from  East  West from section line

WELL LOCATION  
Sec. 32 Township 65 North Range 39  East  West

LATITUDE \_\_\_\_\_ LONGITUDE \_\_\_\_\_



REMARKS  
Shown above is 80 Acre WATKINS LEASE

Sec 5

**INSTRUCTIONS**

On the above plat, show distance of the proposed well from the two nearest section lines, the nearest lease line, and from the nearest well on the same lease completed in or drilling to the same reservoir. Do not confuse survey lines with lease lines. See rule 10 CSR 50-2.030 for survey requirements. Lease lines must be marked.

This is to certify that I have executed a survey to accurately locate oil and gas wells in accordance with 10 CSR 50-2.030 and that the results are correctly shown on the above plat.

REMIT TWO (2) COPIES TO:  
GEOLOGICAL SURVEY PROGRAM  
PO BOX 250, ROLLA, MO 65402-0250 (573) 368-2143  
ONE (1) COPY WILL BE RETURNED

REGISTERED LAND SURVEYOR

NUMBER

**Rollins, Kyle**

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**From:** Rollins, Kyle  
**Sent:** Friday, August 05, 2011 11:14 AM  
**To:** 'investmentequipment@cox.net'  
**Cc:** Kaden, Scott  
**Subject:** Bonding requirement  
**Attachments:** OGC 2A Personal Bond (CD).pdf

Jim,

As we discussed Investment Equipment, LLC has \$77,000 in bonding. The total number of active wells in our database is 21. If this number is not correct, please let me know asap. The 21 wells require \$73,000 bonding which leaves \$4,000 available to drill ONE additional well. The three plugged wells you are wanting to drill out and place into service will require \$9,000 more. \$9,000 needed - \$4,000 available = \$5,000. An additional \$5,000 bond is required. I have attached the form to use for a CD. Make sure the CD is payable to your name (company) and/or the State Oil and Gas Council. I will be holding the permit applications till the bonding is in place. These plugged wells you want to place back into service wells are being considered as "new wells". A new permit number will be assigned and the application has to be approved by the state geologist before the plugged wells can be drilled out. Thanks

Kyle Rollins  
Geologist II  
Economic Geology Unit  
Division of Geology and Land Survey  
573-368-2195  
573-368-2111 (fax)  
[kyle.rollins@dnr.mo.gov](mailto:kyle.rollins@dnr.mo.gov)  
Visit our on-line store:  
<http://www.missourigeologystore.com/>

## Rollins, Kyle

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**From:** investmentequipment@cox.net  
**Sent:** Tuesday, September 06, 2011 10:19 AM  
**To:** Rollins, Kyle  
**Subject:** Request

Mr. Kyle Rollins,

Please consider this a formal request to grant any required location exemptions and/or increased density (spacing) for the wells we are trying to re-enter.

As follows: Watkins #2, Watkins #6, and the Cook #4.

Your help in this matter will be greatly appreciated.

Jim Chisholm

Approved by JG on 9/6/11

## Rollins, Kyle

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**From:** Rollins, Kyle  
**Sent:** Tuesday, September 06, 2011 7:49 AM  
**To:** 'investmentequipment@cox.net'  
**Subject:** Permit applications

Jim,

Just got word that approval will be granted for a location exemption and an increase drilling density for your permits. All I need from you is a letter or e-mail asking for such. The location exemption is for the well to be closer than 500 feet to the unit line and the increased drilling density is for having more than one well in a 40 acre spacing. Once I get your request, I will process your permits. Thanks for your patience while we were working on this.

Kyle Rollins  
Geologist II  
Economic Geology Unit  
Division of Geology and Land Survey  
573-368-2195  
573-368-2111 (fax)  
[kyle.rollins@dnr.mo.gov](mailto:kyle.rollins@dnr.mo.gov)  
Visit our on-line store:  
<http://www.missourigeologystore.com/>

**Rollins, Kyle**

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**From:** Rollins, Kyle  
**Sent:** Thursday, September 01, 2011 8:05 AM  
**To:** 'investmentequipment@cox.net'  
**Subject:** 40 acre spacing

Jim,

I have been reviewing your permit applications. The Watkins lease can only have two wells, one in each 40 acre tract. The setback for each well is 500 feet from all 1/4, 1/4 (40 acre) unit lines. Both wells will have to be moved to meet setback restrictions. The Cook lease is similar. The well #4 will need to be moved to meet setback requirements as well. Are wells #1 and #6 on the Cook lease and well #6 on the Watkins lease been plugged? I cannot proceed with the permit until we get the location issue resolved. You could request a location exemption if the well locations cannot be moved. There has to be a valid reason for the request such as drilling obstruction or some other hazard regarding the drilling of the well. Let me know. Please give me a call if this is confusing or if you have questions. Thanks

Kyle Rollins  
Geologist II  
Economic Geology Unit  
Division of Geology and Land Survey  
573-368-2195  
573-368-2111 (fax)  
[kyle.rollins@dnr.mo.gov](mailto:kyle.rollins@dnr.mo.gov)  
Visit our on-line store:  
<http://www.missourigeologystore.com/>



STATE OF MISSOURI  
MISSOURI DEPARTMENT OF NATURAL RESOURCES  
GEOLOGICAL SURVEY PROGRAM

FORM OGC-5

**WELL COMPLETION OR RECOMPLETION REPORT AND WELL LOG**

NEW WELL  WORKOVER  DEEPEN  PLUG BACK  INJECTION  SAME RESERVOIR  DIFFERENT RESERVOIR  OIL  GAS  DRY

OWNER: INVESTMENT EQUIPMENT LLC ADDRESS: 17509 County Road 14 Fort Morgan, Colo. 80701

LEASE NAME: Watkins WELL NUMBER: # 2

LOCATION OF WELL: Sec. 32 Twp 65 North, Rng 39 East West OR 1650 ft. from North South 1650 ft. from East West

COUNTY: Atchinson PERMIT NUMBER (OGC-3 OR OGC-31): 005-20051

DATE SPUDDED: 10/13/2011 DATE TOTAL DEPTH REACHED: 10/16/2011 DATE COMPLETED READY TO PRODUCE OR INJECT: 10/16/2011 ELEVATION (DF, RKR, RT, OR Gr.) FEET: 1033 ELEVATION OF CASING HD. FLANGE: 1033 FEET

TOTAL DEPTH: 1392 PLUG BACK TOTAL DEPTH: 1387

PRODUCING OR INJECTION INTERVAL(S) FOR THIS COMPLETION: 1379 thru 1384 ROTARY TOOLS USED (INTERVAL): 11 TO 134 DRILLING FLUID USED: water CABLE TOOLS USED (INTERVAL): n/a

WAS THIS WELL DIRECTIONALLY DRILLED?  Yes  No WAS DIRECTIONAL SURVEY MADE?  Yes  No WAS COPY OF DIRECTIONAL SURVEY FILED?  Yes  No DATE FILED:

TYPE OF ELECTRICAL OR OTHER LOGS RUN (JUST LOGS FILED WITH THE STATE GEOLOGIST): DATE FILED:

**CASING RECORD**

CASING (REPORT ALL STRINGS SET IN WELL - CONDUCTOR, SURFACE, INTERMEDIATE, PRODUCING, ETC.)

PURPOSE	SIZE HOLE DRILLED	SIZE CASING SET	WEIGHT (LB. FT)	DEPTH SET	SACKS CEMENT	AMOUNT PULLED
Surface		7 5/8	15 #	200'	To surface	
Production		4 1/2"	10.50#	1387'	to surface	

**TUBING RECORD**

**LINER RECORD**

SIZE	DEPTH SET	PACKER SET AT	SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN
2 3/8 INCH	1350 FEET	FEET	INCH	FEET	FEET		FEET

**PERFORATION RECORD**

**ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD**

NUMBER PER FOOT	SIZE AND TYPE	DEPTH INTERVAL	AMOUNT AND KIND OF MATERIAL USED	DEPTH INTERVAL
4 spf	avg	1379-84		

**INITIAL PRODUCTION**

DATE OF FIRST PRODUCTION OR INJECTION: 2-12-12 PRODUCING METHOD (INDICATE IF FLOWING, GAS LIFT, OR PUMPING - IF PUMPING, SHOW SIZE AND TYPE OF PUMP.): pumping

DATE OF TEST: 02/12/2012 HOURS TESTED: 24 CHOKE SIZE: n/a OIL PRODUCED DURING TEST: 1.5 BBLs GAS PRODUCED DURING TEST: 0 MCF WATER PRODUCED DURING TEST: 25 BBLs OIL GRAVITY: 19 API (CORR.)

TUBING PRESSURE: n/a CASING PRESSURE: n/a CALCULATED RATE OF PRODUCTION PER 24 HOURS: OIL: 1 BBLs GAS: 0 MCF WATER: 30 BBLs GAS OIL RATIO: n/a

DISPOSITION OF GAS (STATE WHETHER VENTED, USED FOR FUEL OR SOLD): none

METHOD OF DISPOSAL OF MUD PIT CONTENTS: N/a

**CERTIFICATE:** I, the Undersigned, state that I am the manager of the LLC (Company), and that I am authorized by said company to make this report, and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

DATE: 01/07/2014 SIGNATURE: *Jim Chisholm*

ONE (1) COPY TO BE RETURNED.

**INSTRUCTIONS:** Attach drillers log or other acceptable log of well.

\* Show all important zones of porosity, detail of all cores, and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.

**DETAIL OF FORMATIONS PENETRATED**

FORMATION	TOP	BOTTOM	DESCRIPTION (SEE * ABOVE)
Tarkio	1379	1417	