

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



DE ET OE ES

Document Number:

1712924

Plugging Bond Surety

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER _____
SINGLE ZONE ☐ MULTIPLE ZONE ☒ COMMINGLE ZONE ☐Refiling ☐Sidetrack ☐

3. Name of Operator: YATES PETROLEUM CORPORATION

4. COGCC Operator Number: 97810

5. Address: 105 SOUTH 4TH ST

City: ARTESIA State: NM Zip: 88210

6. Contact Name: WILL C. RUSSELL Phone: (307)382-4005 Fax: (307)382-5923

Email: REGULATORY

7. Well Name: BIG HOLE GULCH UNIT #3

Well Number: #3

8. Unit Name (if appl): BIG HOLE GULCH

Unit Number: COC72464X

9. Proposed Total Measured Depth: 9805

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 8 Twp: 11N Rng: 94W Meridian: 6

Latitude: 40.926172

Longitude: -107.970750

FNL/FSL

FEL/FWL

Footage at Surface: 1980 FSL 1980 FEL

11. Field Name: WILDCAT

Field Number: 99999

12. Ground Elevation: 6581.5

13. County: MOFFAT

14. GPS Data:

Date of Measurement: 04/29/2009 PDOP Reading: 2.1 Instrument Operator's Name: ANDY FLOYD

15. 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:

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 1787

18. Distance to nearest property line: 1980 19. Distance to nearest well permitted/completed in the same formation: 1930

20. LEASE, SPACING AND POOLING INFORMATION

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| LEWIS | LWIS | | | |
| MESAVERDE | MVRD | | | |

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC61491

22. Surface Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian

23. Is the Surface Owner also the Mineral Owner? ☒ Yes ☐ No Surface Surety ID#:

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☒ Yes ☐ No

23b. If 23 is No ☐ Surface Owners Agreement Attached or ☐ \$25,000 Blanket Surface Bon ☐ \$2,000 Surface Bond ☐ \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):
SECTION 8 T11N R94W ALL, SECTION 9 T11N R94W E1/2, W1/2NW

25. Distance to Nearest Mineral Lease Line: 1980 26. Total Acres in Lease: 1040

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? ☐ Yes ☒ No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? ☐ Yes ☒ No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? ☐ Yes ☒ No

30. If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? ☐ Yes ☒ No If 28, 29, or 30 are "Yes" a pit permit may be required.

31. Mud disposal: ☐ Offsite ☒ Onsite

Method: ☐ Land Farming ☐ Land Spreading ☐ Disposal Facility Other: RESERVE PIT

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

| Casing Type | Size of Hole | Size of Casing | Weight Per Foot | Setting Depth | Sacks Cement | Cement Bottom | Cement Top |
|-------------|--------------|----------------|-----------------|---------------|--------------|---------------|------------|
| SURF | 11 | 8+5/8 | J55 | 1,100 | 400 | 1,100 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 9,805 | 975 | 9,805 | 0 |

32. BOP Equipment Type: ☒ Annular Preventer ☒ Double Ram ☐ Rotating Head ☐ None

33. Comments _____

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? ☐ Yes ☐ No

36. Is this application part of submitted Oil and Gas Location Assessment ? ☐ 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: WILL C. RUSSELL

Title: REGULATORY Date: _____ Email: WILLR@YATESPETROLEUM.

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: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

CONDITIONS OF APPROVAL, IF ANY: _____

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|----------------------|--------------------|
| 1712924 | APD ORIG & 1 COPY | LF@2155186 1712924 |
| 1712925 | WELL LOCATION PLAT | LF@2155187 1712925 |
| 1712926 | TOPO MAP | LF@2155188 1712926 |
| 1712927 | LEASE MAP | LF@2155189 1712927 |
| 1712928 | FED. DRILLING PERMIT | LF@2155190 1712928 |
| 1712929 | DRILLING PLAN | LF@2155191 1712929 |
| 1712930 | SURFACE PLAN | LF@2155192 1712930 |

Total Attach: 7 Files