

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



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| DE | ET | OE | ES |
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Document Number:

2094738

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: GUNNISON ENERGY CORPORATION

4. COGCC Operator Number: 100122

5. Address: 1601 FORUM PL STE 1400

City: WEST PALM BEACH State: FL Zip: 33401

6. Contact Name: LEE FYOCK Phone: (303)296-4222 Fax: (303)296-4555

Email: LEE.FYOCK@OXBOW.COM

7. Well Name: OAK MESA UNIT HUGHES 1393

Well Number: 12-22

8. Unit Name (if appl): Unit Number:

9. Proposed Total Measured Depth: 7300

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 12 Twp: 13S Rng: 93W Meridian: 6

Latitude: 38.939181 Longitude: -107.735389

Footage at Surface: 2078 FNL/FSL FNL 2513 FEL/FWL FWL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 9105 13. County: DELTA

14. GPS Data:

Date of Measurement: 10/17/2009 PDOP Reading: 1.9 Instrument Operator's Name: ROBERT L. KAY UINTAH ENG

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: 12690 ft

18. Distance to nearest property line: 1158 ft 19. Distance to nearest well permitted/completed in the same formation:

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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| MANCS | MNCS | | | |

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

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):
SEE ATTACHED LEASE DESCRIPTION

25. Distance to Nearest Mineral Lease Line: 1180 ft 26. Total Acres in Lease: 1178

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: 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 |
|-------------|--------------|----------------|-----------------|---------------|--------------|---------------|------------|
| CONDUCTOR | 26 | 20 | | 60 | | 60 | 0 |
| SURF | 17+1/2 | 13+3/8 | 54.5 | 800 | 585 | 800 | 0 |
| 1ST | 12+1/4 | 9+5/8 | 40 | 3,350 | 790 | 3,350 | 0 |
| 2ND | 9+7/8 | 7 | 26 | 7,300 | 885 | 7,300 | 2,850 |

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: LEE FYOCK

Title: PERMITTING Date: _____ Email: LEE.FYOCK@OXBOW.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: _____

Permit Number: _____ Expiration Date: _____

API NUMBER

05

CONDITIONS OF APPROVAL, IF ANY:

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.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|-------------------|---------------------|
| 2094742 | MINERAL LEASE MAP | LF @2216685 2094742 |

Total Attach: 1 Files