

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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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

Document Number:
400051549
Plugging Bond Surety

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: SPADAFORA 1190 Well Number: #20-21

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

9. Proposed Total Measured Depth: 10

WELL LOCATION INFORMATION

10. QtrQtr: NE NW Sec: 20 Twp: 11S Rng: 90W Meridian: 6
Latitude: 39.090194 Longitude: -107.471458

Footage at Surface: 918 FNL/FSL FNL 2529 FEL/FWL FWL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 8072 13. County: GUNNISON

14. GPS Data:

Date of Measurement: 11/18/2009 PDOP Reading: 1.8 Instrument Operator's Name: U.E.L.S.

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: 1796 ft

18. Distance to nearest property line: 1 ft 19. Distance to nearest well permitted/completed in the same formation: 1 mi

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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| MANCOS | 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):
 Township 11 South - Range 90 West, 6th P.M., H.E.S. 73, located in Sections 17 & 20. See lease map attached.

25. Distance to Nearest Mineral Lease Line: 960 ft 26. Total Acres in Lease: 159

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: _____

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# | 6,300 | 1,450 | 6,300 | 0 |
| 2ND | 9+7/8 | 7 | 26# | 10 | 960 | 10 | 5,800 |

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

33. Comments Note: Distance to nearest well permitted/completed in the same formation is 9,825'.

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: Patty Johnson

Title: Operations Tech Date: 4/1/2010 Email: patty.johnson@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: _____

| | | |
|-------------------|--|------------------------|
| API NUMBER | Permit Number: _____ | Expiration Date: _____ |
| 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 |
|-------------|----------------------|---|
| 400051566 | LEASE MAP | Lease Map.pdf |
| 400051567 | WELL LOCATION PLAT | Well Location Plat and Legal Addendum.pdf |
| 400051568 | TOPO MAP | Reclamation Reference Pt Map.pdf |
| 400051569 | 30 DAY NOTICE LETTER | 30-day Notice Letter.pdf |

Total Attach: 4 Files