

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:

2585964

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: RED WILLOW PRODUCTION COMPANY

4. COGCC Operator Number: 81295

5. Address: P O BOX 369

City: IGNACIO State: CO Zip: 81137

6. Contact Name: JAMES B. KEENER Phone: (970)563-5163 Fax: (970)563-5161
Email: ASIMONS@RWPC.US

7. Well Name: SO UTE FC 32-8 Well Number: 3-12

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

9. Proposed Total Measured Depth: 4746

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 3 Twp: 32N Rng: 8W Meridian: N

Latitude: 37.043710 Longitude: -107.707450

Footage at Surface: 1696 FNL/FSL FSL 1834 FEL/FWL FWL

11. Field Name: IGNACIO BLANCO Field Number: 38300

12. Ground Elevation: 7252 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 05/02/2005 PDOP Reading: 3.0 Instrument Operator's Name: SCOTT WIEBE

15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 350 FSL 364 FEL/FWL 200 FSL 200 FEL/FWL FWL
Sec: 3 Twp: 32N Rng: 8W Sec: 3 Twp: 32N Rng: 8W

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: 1584 ft

18. Distance to nearest property line: 2600 ft 19. Distance to nearest well permitted/completed in the same formation: 2146 ft

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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| FRUITLAND COAL | FRLDC | 112-190 | 320 | W/2 |

21. Mineral Ownership: ☐ Fee ☐ State ☐ Federal ☒ Indian Lease #: 14-20-151-26

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):
ALL OF SECTIONS 4, 3, 9 & 10 T32N R08W

25. Distance to Nearest Mineral Lease Line: 5020 ft 26. Total Acres in Lease: 2560

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: EVAPORATION & BURIAL

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 | 12+1/4 | 8+5/8 | 24 | 500 | 350 | 500 | |
| 1ST | 7+7/8 | 5+1/2 | 17 | 4,746 | 887 | 4,746 | |

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

33. Comments WE ARE REQUESTING ADMINISTRATIVE APPROVAL FOR THIS LOCATION EXCEPTION AS PER STATEWIDE RULE 318C. DUE TO THE FACT THAT RED WILLOW PRODUCTION COMPANY IS ENCROACHING UPON ITSELF. NO CHANGES TO THE ORIGINAL APD. NO CONDUCTOR CASING WILL BE USED.

34. Location ID: 333606

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: JAMES B. KEENER

Title: DRILLING & PRODUCTION MGR Date: 3/29/2010 Email: ASIMONS@RWPC.US

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: David S. Nesline Director of COGCC Date: 4/12/2010

API NUMBER

05 067 09709 00

Permit Number: _____ Expiration Date: 4/11/2012

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 |
|-------------|--------------|--------------------|
| 2585964 | APD ORIGINAL | LF@2443784 2585964 |

Total Attach: 1 Files