

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:

400040983

Plugging Bond Surety

20030107

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: WILLIAMS PRODUCTION RMT COMPANY

4. COGCC Operator Number: 96850

5. Address: 1515 ARAPAHOE ST STE 1000

City: DENVER State: CO Zip: 80202

6. Contact Name: Jennifer Head Phone: (303)606-4342 Fax: (303)629-8275

Email: Jennifer.Head@Williams.com

7. Well Name: Federal RGU Well Number: 344-24-198

8. Unit Name (if appl): Ryan Gulch Unit Unit Number: COC068239
X

9. Proposed Total Measured Depth: 12981

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 25 Twp: 1S Rng: 98W Meridian: 6

Latitude: 39.940983 Longitude: -108.340073

Footage at Surface: 227 FNL/FSL FNL 1914 FEL/FWL FEL

11. Field Name: Sulphur Creek Field Number: 80090

12. Ground Elevation: 6440.5 13. County: RIO BLANCO

14. GPS Data:

Date of Measurement: 10/08/2008 PDOP Reading: 2.4 Instrument Operator's Name: Mark Bessie

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

Footage at Top of Prod Zone: FNL/FSL 613 FSL 652 FEL 613 FSL 652 FEL
Sec: 24 Twp: 1S Rng: 98W Sec: 24 Twp: 1S Rng: 98W

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: 719 ft

18. Distance to nearest property line: 11088 ft 19. Distance to nearest well permitted/completed in the same formation: 456 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Iles | ILES | 527-6 | | |
| Sego | SEGO | 527-6 | | |
| Williams Fork | WMFK | 527-6 | | |

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC060733

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):
T1S, R98W: Section 24, Lots 1-16; Section 25, Lots 1-16

25. Distance to Nearest Mineral Lease Line: 652 ft 26. Total Acres in Lease: 1238

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 & Backfilling

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+3/4 | 18 | 48# | 80 | 135 | 80 | |
| SURF | 14+3/4 | 9+5/8 | 36# | 3,985 | | 3,985 | |
| 3RD | 8+3/4 | 4+1/2 | 11.6# | 12,981 | | 12,981 | |

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

33. Comments Cement will be circulated to the surface in the Conductor String. Cement will be circulated to 200' above the uppermost Mesaverde sand in the Production String. This is a new drilling location.

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: Jennifer Head

Title: Regulatory Team Lead Date: 2/19/2010 Email: Jennifer.Head@Williams.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: David S. Neslin Director of COGCC Date: 4/23/2010

API NUMBER

05 103 11679 00

Permit Number: _____ Expiration Date: 4/22/2012

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.

1)24 HOUR SPUD NOTICE REQUIRED. E-MAIL: Shaun.Kellerby@state.co.us 2)CEMENT TOP VERIFICATION BY CBL REQUIRED. 3)THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 3000 FEET DEEP.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------------|----------------------|
| 400041657 | WELL LOCATION PLAT | LF@2427047 400041657 |
| 400041658 | DEVIATED DRILLING PLAN | LF@2427048 400041658 |
| 400041659 | TOPO MAP | LF@2427049 400041659 |
| 400041963 | FED. DRILLING PERMIT | LF@2427050 400041963 |
| 400041964 | FORM 2 SUBMITTED | LF@2427051 400041964 |

Total Attach: 5 Files