

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:

2589145

Plugging Bond Surety

20020109

3. Name of Operator: MCELVAIN OIL & GAS PROPERTIES

4. COGCC Operator Number: 55575

5. Address: 1050 17TH ST STE 1800

City: DENVER State: CO Zip: 80265

6. Contact Name: RON MILLET Phone: (303)893-0933 Fax: (303)893-0914
Email: RON@MCELVAIN.COM

7. Well Name: BULLSEYE Well Number: 22

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

9. Proposed Total Measured Depth: 3993

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 20 Twp: 33N Rng: 8W Meridian: N

Latitude: 37.086340 Longitude: -107.734250

Footage at Surface: 1524 FNL/FSL FSL 1586 FEL/FWL FEL

11. Field Name: IGNACIO BLANCO Field Number: 38300

12. Ground Elevation: 6950 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 06/02/2009 PDOP Reading: 3.0 Instrument Operator's Name: NELSON ROSS

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

Footage at Top of Prod Zone: FNL/FSL 853 FSL 847 FEL 660 FEL/FWL 660 FEL 660 FEL
Sec: 20 Twp: 33N Rng: 8W Sec: 20 Twp: 33N 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: 118 ft

18. Distance to nearest property line: 175 ft 19. Distance to nearest well permitted/completed in the same formation: 1685 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	112-217	320	S/2

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):
SE/4 SEC. 20, T33N, R8E

25. Distance to Nearest Mineral Lease Line: 660 ft 26. Total Acres in Lease: 160

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
SURF	12+1/4	8+5/8	24	560	350	560	0
1ST	7+7/8	5+1/2	15.5	3,993	200	3,993	0

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

33. Comments Conductor will not be set per Ron via email on 3-29-10 JLV. Operator request approval COGCC Rule 603.a.1 Exception Location: 150' setback from above ground utility line distance from well location 118'; Exception location Request and Waiver attached 3-29-10 JLV

34. Location ID: 325226

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: TIM G. KELLEY

Title: AGENT Date: 2/26/2010 Email: TIM@FINNEYLAND.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: 5/9/2010

API NUMBER

05 067 09814 00

Permit Number: _____ Expiration Date: 5/8/2012

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)Provide 48 hour notice of spud to COGCC field inspector Leslie Melton (970) 375-6419 or les.melton@state.co.us
2)Set at least 560' of surface casing per Rule 317 (f) (h); cement to surface 3)Provide cement coverage of production casing from TD to surface. Verify cement coverage with Cement Bond Log. 4)Run and submit Directional Survey from TD to kick-off point 5)The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the well bore complies with setback requirements in Commission orders and/or rules prior to producing the well. 6)Sample and test two closest water wells within 1/2 mile swath of the directional wellbore intercepting Fruitland Coal (horizontal dimension - top to bottom of pay). 7)Operators are required to obtain a bottom hole pressure utilizing a bottom hole gauge after a minimum 48 hour shut-in period following completion and prior to sales 8)Comply with all applicable provisions of Order 112-217

Attachment Check List

Att Doc Num	Name	Doc Description
2589145	APD ORIGINAL	LF@2439160 2589145
2589146	EXCEPTION LOC REQUEST	LF@2439164 2589146
2589147	EXCEPTION LOC WAIVERS	LF@2439165 2589147
2589148	WELL LOCATION PLAT	LF@2439161 2589148
2589149	DEVIATED DRILLING PLAN	LF@2439163 2589149
2589150	SURFACE AGRMT/SURETY	LF@2439162 2589150
2589151	OTHER	LF@2439166 2589151

Total Attach: 7 Files