



02054344

FORM 4 Rev 12/05

Page 1

State of Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303)894-2100 Fax:(303)894-2109



RECEIVED MAY 24 2010 COGCC

SUNDRY NOTICE

Submit original plus one copy. This form is to be used for general, technical and environmental sundry information. For proposed or completed operations, describe in full on Technical Information Page (Page 2 of this form.) Identify well or other facility by API Number or by OGCC Facility ID. Operator shall send an informational copy of all sundry notices for wells located in High Density Areas to the Local Government Designee (Rule 603b.)

1. OGCC Operator Number: 100122
2. Name of Operator: Gunnison Energy Corporation
3. Address: 1801 Broadway Suite 1200
4. Contact Name: Neil Allen
5. API Number 05- U51-U6U82-UU
6. Well/Facility Name: Hotchkiss Federal 1289
7. Well/Facility Number #20-12D
8. Location (Qtr/Tr, Sec, Twp, Rng, Meridian): SW NW Section 20, T12S, R89W 6th P.M.
9. County: Gunnison
10. Field Name: 99999 - Wildcat
11. Federal, Indian or State Lease Number: COC-65108

Table with 2 columns: Checklist items (Survey Plat, Directional Survey, Surface Eqmpt Diagram, Technical Info Page, Other Rev Drlg Plan) and checkboxes.

General Notice

CHANGE OF LOCATION: Attach New Survey Plat
CHANGE SPACING UNIT
CHANGE OF OPERATOR (prior to drilling):
CHANGE WELL NAME
ABANDONED LOCATION:
NOTICE OF CONTINUED SHUT IN STATUS
SPUD DATE:
REQUEST FOR CONFIDENTIAL STATUS
SUBSEQUENT REPORT OF STAGE, SQUEEZE OR REMEDIAL CEMENT WORK
RECLAMATION:

Technical Engineering/Environmental Notice

Notice of Intent
Approximate Start Date: 6/15/2010
Details of work must be described in full on Technical Information Page (Page 2 must be submitted.)
Intent to Recomplete (submit form 2)
Change Drilling Plans
Gross Interval Changed?
Casing/Cementing Program Change
Request to Vent or Flare
Repair Well
Rule 502 variance requested
Other:
E&P Waste Disposal
Beneficial Reuse of E&P Waste
Status Update/Change of Remediation Plans for Spills and Releases

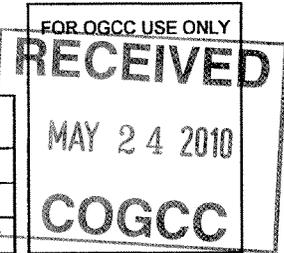
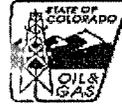
I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Signed: Patty Johnson Date: 05/24/2010 Email: patty.johnson@oxbow.com
Print Name: Patty Johnson Title: Drilling and Operations Technician

COGCC Approved: David Anderson Title: PE II Date: 5/25/2010

CONDITIONS OF APPROVAL, IF ANY:

TECHNICAL INFORMATION PAGE

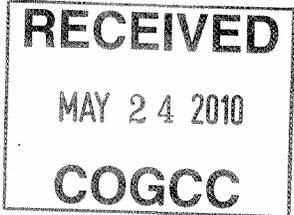


1. OGCC Operator Number: 100122	API Number: 05-051-06082-00
2. Name of Operator: Gunnison Energy Corporation	OGCC Facility ID #
3. Well/Facility Name: Hotchkiss Federal 1289	Well/Facility Number: #20-12D
4. Location (QtrQtr, Sec, Twp, Rng, Meridian): SW NW Section 20, T12S, R89W	

This form is to be completed whenever a Sundry Notice is submitted requiring detailed report of work to be performed or completed. This form shall be transmitted within 30 days of work completed as a "subsequent" report and must accompany Form 4, page 1.

5. DESCRIBE PROPOSED OR COMPLETED OPERATIONS

Proposed Drilling Plans have been changed per attached.



Gunnison Energy Corporation

Drilling Program

Hotchkiss Federal 1289 # 20-12D

1973' FNL & 484' FWL

Sec. 20, T12S R89W

Gunnison County, Colorado

5/12/10

Please contact Mr. Neil Allen at Gunnison Energy, (303) 296-4222 if there are any questions or concerns regarding this Drilling Program.

Gunnison Energy respectfully requests that all information regarding this well be kept confidential.

ANTICIPATED START DATE June 15, 2010

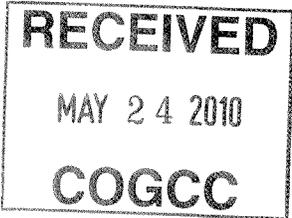
SURFACE ELEVATION 6602' GL

SURFACE FORMATION Colluvium, Chochetopa Stony Loam - Fresh water possible

ESTIMATED FORMATION TOPS (MD) (Water, oil, gas and/or other mineral-bearing formations)

Wasatch	Surface	Shales, siltstones and lenticular sandstones, some water or gas bearing
Dutch Creek	1,859'	Sandstones, shales and siltstones
Cameo B	2,239'	Sandstones, shales & siltstones, some water, or gas bearing
Rollins	2,317'	Sandstone, shales & siltstones, some water, oil or gas bearing
Cozette	3,187'	Sandstone, very fine to fine grnd, white, feldspathic to lithic, shaley
Corcoran	3,322'	
Dakota	7,215'	Sandstone, fine to med grnd, quartzitic, w/interbedded carbonaceous shales. Thin lenses of coal may be present in upper unit.

TOTAL DEPTH 7,450'



Drilling Plan

MUD PROGRAM

1. Conductor: 0' to 60', 26" hole no fluid.
2. Surface: 60' to 800' (MD), 17-1/2" hole drilled Spud Mud.
3. Intermediate: 800' to 3550' (MD), 12-1/4" hole drilled with a LSND drilling system
4. Production: 3550' to 7450' (MD), 9 7/8" hole drilled with a LSND drilling system. The 9 7/8" hole will be drilled with a bi-centered bit.

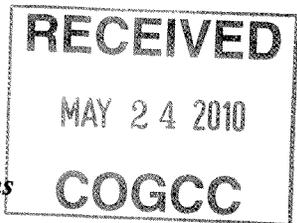
The surface hole will be drilled with a high viscosity spud mud. The intermediate hole and production hole will be drilled with a fresh water LSND system (M.W. 8.6 - 9.2 ppg, Vis - 35-50 sec, W.L. 10 cc or less). The mud will be processed through a closed loop mud system. The hole will be treated for lost circulation. Notify Engineering of any mud losses. Sufficient mud materials to maintain mud properties, control lost circulation and to contain "kick" will be available at wellsite.

CASING PROGRAM

Casing	Hole Size	Casing Size	Weight	Grade	Depth Set	Cement Top
Conductor	26"	20"		LP	60'	Surface
Surface	17-1/2"	13-3/8"	54.5#	J-55	800'	Surface
Intermediate	12-1/4"	9-5/8"	40#	N-80	3550'	Surface
Production	9 7/8"	7"	26#	P-110	7450'	3050'

FLOAT EQUIPMENT

1. SURFACE CASING: 13-3/8" cement nose guide shoe with self-fill flapper float collar on top of bottom joint. Thread lock shoe and float collar. Run (1) standard centralizer on each of the bottom (3) joints of surface casing and every other joint to the surface.
2. INTERMEDIATE CASING: 9-5/8" Colorado coal shoe (notched collar) with a float collar, 1 joint and a 2nd float collar. Place a 9-5/8" stage tool at 1950' (300' above the Cameo B). Place a (3) cement basket(s) just below stage tool and centralizers on the first collar above and below stage tool. Install one (1) turbulent centralizer on each of the bottom three (3) joints, one(1) on each of the four (4) joints above and below the DV tool, and one on each of the four (4) joints immediately below the surface casing. Total turbulent centralizers are fifteen (15).
3. PRODUCTION CASING: 7" Colorado coal shoe (notched collar) with a float collar, 1 joint and a 2nd float collar. Place a 7" stage tool at 5000'. Place a (3) cement basket(s) just below stage tool and centralizers on the first collar above and below stage tool. Install one (1) turbulent centralizer on each of the bottom three (3) joints, one(1) on each of the four (4) joints above and below the DV tool, and one on each of the four (4) joints immediately below the intermediate casing. Total turbulent centralizers are fifteen (15).



Drilling Plan

CEMENTING PROGRAM (Note: Volumes may be adjusted onsite due to actual conditions)

1. **SURFACE:** Precede cement with 20 BBLs of water. Slurry: Lead – 435 (1.9 SF) sx Premium Lite Cement + 0.25 lbs/sx Cello Flake + 8% bwoc Bentonite + 0.5% bwoc Sodium Metasilicate + 1gal/100 sack FP-13L + 111.2% Fresh Water. Weight 12.3 lb/gal Yield 2.08 cuft/sx. Tail – 150 sx Type III Cement + 2% bwoc Calcium Chloride + 0.25 lbs/sx Cello Flake + 65.4% Fresh Water. Weight 14.2 lb/gal 1.48 cuft/sx. WOC 12 hours. Test csg to 1500 psi.
2. **INTERMEDIATE:** Precede cement with 20 BBLs of water followed by 20 BBLs of Mud Clean 1 (8.33 ppg). **Stage #1** with 255 (1.3 SF) sx Premium Lite Cement + 8% bwoc Bentonite + 0.5% bwoc Sodium Metasilicate + 0.4% bwoc FL-52 + 0.2% bwoc R-3 + .25 lbs/sx Cello Flake + 2 lbs/sx Kol Seal + 110.5% Fresh Water. Weight 12.3 lbs/gal Yield 2.10 cuft.sx. Tail – 100 sx Class G Cement + 0.5% bwoc FL-52 + 0.1% bwoc R-3 + 1 gal/100 sx FP-13L + 0.25 lbs/sx Cello Flake + 2 lbs/sx Kol Seal + 42.8% Fresh Water. Weight 15.80 lbs/gal Yield 1.16 cuft/ sx **Stage #2:** Precede cement with 20 bbls Mud Clean (8.4ppg) Lead with 415 (1.5 SF) sx Premium Lite Cement + 0.2% bwoc R-3 + 0.25 lbs/sx Cello Flake + 1 lb/sx Kol Seal + 0.2% bwoc Sodium Metasilicate + 1 gal/100 sx FP-13L + 8% bwoc Bentonite + 110.6% fresh water. Weight 12.3 lb/gal Yield 2.09 cuft/sx. Tail with 50 sx Class G Cement + 1 gal/100 sx FP-13L + 0.25% bwoc Cello Flake + 1 lbs/sx Kol Seal + 43.1% Fresh Water. Weight 15.8 lbs/gal Yield 1.16 cuft/sx WOC 12 hours.
3. **PRODUCTION:** Precede cement with 20 BBLs of Mud Clean (8.4). **Stage #1** 500 (1.4 SF) sx (50:50) Poz (Fly Ash) Class G Cement + 2% bwoc Bentonite + 1% bwoc FL-52 + 0.5% bwoc R-3 + 1 gal/100 sx FP-13L + 30% bwoc Silica Flour + 2 lbs/sx Kol Seal + .25% bwoc Cello Flake + 0.1% bwoc CD-32 + 86.4% Fresh Water. Weight 13.5 lb/gal. Yield 1.85 ft³/sk. **Stage #2:** 375 (1.5 SF) sx (35:65) Poz (Fly Ash) Type III Cement + 0.3% bwoc FL-52 + 0.3% bwoc R-3 + 0.25 lbs/sx Cello Flake + 8% bwoc Bentonite + 110.9% Fresh Water. Weight 12.3 lb/gal. Yield 2.08 ft³/sx. WOC 12 hours. Run CBL and squeeze cement if necessary prior to completing well.

LOGGING, CORING TESTING PROGRAM

1. Logging: Intermediate Depth and Total Depth: GR/DIL, CDL/SNL. CBL after setting casing. Mud Log and gas detection from surface to TD. At Total Depth run: Triple Combo, Sonic, Image (FMI, XRMI, CMI depending on contractor).
2. Coring: Possible sidewall cores as determined by open hole logs.
3. Testing: No DST's are planned. Production testing and pressure bombs will be performed during completion.

ABNORMAL CONDITIONS

- | | |
|------------------------------------|--|
| 1. Pressures: | No abnormal conditions are anticipated.
Cameo/Rollins, pressure gradient - 0.40 psi/ft
Cozzette/Corcoran pressure gradient - 0.40 psi/ft |
| 2. Temperatures: | No abnormal conditions are anticipated. |
| 3. H ₂ S: | None anticipated. |
| 4. Estimated bottom hole pressure: | |



Drilling Plan

PRESSURE CONTROL (See attached schematic diagram)

BOP's and choke manifold will be installed and pressure tested before drilling out under surface casing (subsequent pressure test will be performed whenever pressure seals are broken), and then will be checked daily as to mechanical operating condition. BOP's will be pressure tested at least once every 30 days. Ram type preventors and related pressure control equipment will be pressure tested to rated working pressure of the stack assembly if a test plug is used. If a plug is not used, the stack assembly will meet or exceed COGCC standards. Annular type preventors will be pressure tested to 50% of their rated working pressure. All casing strings will be pressure tested to 0.22 psi/ft. or 1,500 psi, whichever is greater, not to exceed 70% of internal yield. A manual locking device (i.e. hand wheels) or automatic locking devices shall be installed on the BOP stack.

The choke manifold and accumulator will meet or exceed COGCC standards. The BOP equipment will be tested after any repairs to the equipment. Pipe rams, blind rams and the annular preventor will be activated on each trip, and weekly BOP drills will be held with each crew. All tests, maintenance, and BOP drill information will be entered on rig "tower" sheet.

A 5M BOP system is proposed for this well.

Statement on Accumulator System and Location of Hydraulic Controls

The drilling rig has not been selected for this well. Selection will take place after approval of this application. Manual and/or hydraulic controls will be in compliance with requirements for 3,000 psi systems.

A remote accumulator will be used. Pressures, capacities, location of remote hydraulic and manual controls will be identified at the time of the supervised BOP test. 3M system accumulator shall have sufficient capacity to open the hydraulically-controlled choke line valve(if so equipped), close all rams plus the annular preventer, and retain a minimum of 200 psi above precharge on the closing manifold without the use of the closing pumps. This is a minimum requirement. The fluid reservoir capacity shall be double the usable fluid volume of the accumulator system capacity and the fluid level shall be maintained at the manufacturer's recommendations. The 3M system shall have 2 independent power sources to close the preventer. Nitrogen bottles (3 minimum) may be 1 of the independent power sources and, if so, shall maintain a charge equal to the manufacturer's specifications.

AUXILIARY EQUIPMENT

1. Upper kelly cock & lower kelly cock in drill string
2. Inside BOP or stab-in valve (available on rig floor).
3. Mud monitoring will be with a flowing sensor, pit level indicator, or visually observed.
4. Closed loop mud system is to be used.