

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



DE ET OE ES

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:

400049969

Plugging Bond Surety

20060138

3. Name of Operator: CONOCO PHILLIPS COMPANY 4. COGCC Operator Number: 191605. Address: P O BOX 2197City: HOUSTON State: TX Zip: 77252-21976. Contact Name: Sharon Zubrod Phone: (505)326-9793 Fax: (505)599-4062Email: Sharon.R.Zubrod@conocophillips.com7. Well Name: Southern Ute Well Number: 704

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

9. Proposed Total Measured Depth: 6866

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 16 Twp: 32N Rng: 7W Meridian: NLatitude: 37.022480 Longitude: -107.622550Footage at Surface: 618 FNL/FSL FNL 199 FEL/FWL FWL11. Field Name: Ignacio Blanco Field Number: 3830012. Ground Elevation: 6348 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 08/20/2008 PDOP Reading: 3.0 Instrument Operator's Name: Nelson Ross15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**Footage at Top of Prod Zone: FNL/FSL 702 FNL 1843 FWL 700 FNL 700 FEL FELBottom Hole: FNL/FSL 700 FNL 700 FEL FEL
Sec: 16 Twp: 32N Rng: 7W Sec: 16 Twp: 32N Rng: 7W16. Is location in a high density area? (Rule 603b)? Yes No17. Distance to the nearest building, public road, above ground utility or railroad: 3800 ft18. Distance to nearest property line: 1600 ft 19. Distance to nearest well permitted/completed in the same formation: 1650 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	112-197	320	N/2

21. Mineral Ownership: Fee State Federal Indian Lease #: 14-20-151-06

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):
see attached map

25. Distance to Nearest Mineral Lease Line: 618 ft 26. Total Acres in Lease: 2080

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: Evaporate in pit.

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
1ST	12+1/4	9+5/8	32.3	300	206	300	0
2ND	8+3/4	7+0/0	23	3,778	303	3,778	0
1ST LINER	6+1/4	4+1/2	11.6	6,866	0	0	0

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

33. Comments This APD is for Lateral A. No conductor casing. Mud will be disposed offsite at a disposal facility if contents exceed parameters of Table 910-1.

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: Tim G. Kelley

Title: Agent Date: 5/24/2010 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: _____ 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
400049969	FORM 2 SUBMITTED	400049969.pdf
400058161	DEVIATED DRILLING PLAN	1 Southern Ute #704 Lateral A Plan #8.pdf
400058163	MINERAL LEASE MAP	Mineral Lease Map.pdf
400058165	WELL LOCATION PLAT	survey plat.pdf
400058166	TOPO MAP	topo map.pdf
400063860	OTHER	San Juan Checklist.pdf
400064179	FED. DRILLING PERMIT	BLM APD.pdf

Total Attach: 7 Files