

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: 19160

5. Address: P O BOX 2197

City: HOUSTON State: TX Zip: 77252-2197

6. Contact Name: Sharon Zubrod Phone: (505)326-9793 Fax: (505)599-4062
Email: Sharon.R.Zubrod@conocophillips.com

7. 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: N

Latitude: 37.022480 Longitude: -107.622550

Footage at Surface: 618 FNL/FSL FNL 199 FEL/FWL FWL

11. Field Name: Ignacio Blanco Field Number: 38300

12. 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 Ross

15. 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 FEL
Sec: 16 Twp: 32N Rng: 7W Sec: 16 Twp: 32N Rng: 7W

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: 3800 ft

18. 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: David S. Neslin Director of COGCC Date: 6/11/2010

API NUMBER

05 067 09818 00

Permit Number: _____ Expiration Date: 6/10/2012

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 |
|-------------|------------------------|----------------------|
| 400049969 | FORM 2 SUBMITTED | LF@2484110 400049969 |
| 400058161 | DEVIATED DRILLING PLAN | LF@2484111 400058161 |
| 400058163 | MINERAL LEASE MAP | LF@2484112 400058163 |
| 400058165 | WELL LOCATION PLAT | LF@2484113 400058165 |
| 400058166 | TOPO MAP | LF@2484114 400058166 |
| 400063860 | OTHER | LF@2484115 400063860 |
| 400064179 | FED. DRILLING PERMIT | LF@2484116 400064179 |

Total Attach: 7 Files