

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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Document Number:

400077884

Plugging Bond Surety

20080005

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

 OIL ☐ GAS ☒ COALBED ☐ OTHER OIL
 SINGLE ZONE ☐ MULTIPLE ZONE ☒ COMMINGLE ZONE ☐
Refiling ☐Sidetrack ☐3. Name of Operator: RED MESA HOLDINGS/O&G LLC4. COGCC Operator Number: 102545. Address: 5619 DTC PARKWAY - STE 800City: GREENWOOD VILLAGE State: CO Zip: 801116. Contact Name: Richard Larson Phone: (970)588-3302 Fax: (970)588-3562
Email: rlarson@redmesa1.com7. Well Name: KF #2 Well Number: 27-1

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

9. Proposed Total Measured Depth: 3600

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 27 Twp: 33N Rng: 12W Meridian: NLatitude: 37.077000 Longitude: -108.135070Footage at Surface: 2033 FNL/FSL FNL 1944 FEL/FWL FEL11. Field Name: RED MESA Field Number: 7289012. Ground Elevation: 6534 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 01/13/2010 PDOP Reading: 3.0 Instrument Operator's Name: SCOTT WEIBE15. If well is ☐ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL _____ FEL/FWL _____ Bottom Hole: FNL/FSL _____ FEL/FWL _____

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 600 ft18. Distance to nearest property line: 630 ft 19. Distance to nearest well permitted/completed in the same formation: 1550 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.)
Dakota	DKTA	NA		NA
Gallup	GLLP	NA		NA

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):
SW/4NE/4, N/2SE/4, SE/4SE/4 Sec. 27, T-33-N, R-12-W

25. Distance to Nearest Mineral Lease Line: 630 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: Air drilling

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	11+0/0	8+5/8	24	300	150	300	0
1ST	7+3/4	4+1/2	15.5	3,600	600	3,600	150

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

33. Comments No conductor casing.

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: _____ 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

05

Permit Number: _____ Expiration Date: _____

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
400078533	SURFACE AGRMT/SURETY	SDA.pdf
400078547	WELL LOCATION PLAT	survey plat.pdf
400078548	TOPO MAP	topo map.pdf

Total Attach: 3 Files