

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:

400085515

Plugging Bond Surety

20010158

3. Name of Operator: BP AMERICA PRODUCTION COMPANY

4. COGCC Operator Number: 10000

5. Address: 501 WESTLAKE PARK BLVD

City: HOUSTON State: TX Zip: 77079

6. Contact Name: Susan Folk Phone: (970)335-3828 Fax: (970)335-3837

Email: susan.folk@bp.com

7. Well Name: Ray, Billy GU Well Number: 3

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

9. Proposed Total Measured Depth: 3079

WELL LOCATION INFORMATION

10. QtrQtr: Lot 2 Sec: 19 Twp: 34N Rng: 9W Meridian: M

Latitude: 37.179090 Longitude: -107.872440

Footage at Surface: 1742 FNL/FSL FNL 1068 FEL/FWL FWL

11. Field Name: Ignacio Blanco Field Number: 38300

12. Ground Elevation: 6358.6 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 03/19/2010 PDOP Reading: 2.6 Instrument Operator's Name: Bill Mitchell

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

Footage at Top of Prod Zone: FNL/FSL 899 FNL 1728 FWL 857 FNL 1758 FWL
Sec: 19 Twp: 34N Rng: 9W Sec: 19 Twp: 34N Rng: 9W

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: 660 ft

18. Distance to nearest property line: 63 ft 19. Distance to nearest well permitted/completed in the same formation: 1054 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	112-190	320	W/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):
NE/4NW/4 Sec. 19,T34N,R9W & S/2SE/4 Sec 18,T34N,R9W

25. Distance to Nearest Mineral Lease Line: 403 ft 26. Total Acres in Lease: 120

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: Recycle/Reuse

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	20	389	261	389	
1ST	7+7/8	5+1/2	15.5	3,079	294	3,079	

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

33. Comments Waiver to the 30 day notice (Rule 305) & waiver to the consultation (Rule 306) can be found in attached SUA. Rule 603.a (2) Exception Request attached; Exception Waiver can be found in the attached SUA. The subject location is on two adjacent parcels both owned by the same surface owner. No conductor casing will be used.

34. Location ID: 325978

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: Susan Folk

Title: Infill Permit Coordinator Date: 8/18/2010 Email: susan.folk@bp.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: 9/29/2010

API NUMBER

05 067 09834 00

Permit Number: _____ Expiration Date: 9/28/2012

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 389' 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 1/4 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 112-190

Attachment Check List

Att Doc Num	Name	Doc Description
1857159	SELECTED ITEMS REPORT	LF@2541368 1857159
400085515	FORM 2 SUBMITTED	LF@2526578 400085515
400085584	OTHER	LF@2526579 400085584
400085586	DOW CONSULTATION	LF@2526580 400085586
400085587	WELL LOCATION PLAT	LF@2526581 400085587
400085589	OTHER	LF@2526582 400085589
400085590	TOPO MAP	LF@2526583 400085590
400085591	MINERAL LEASE MAP	LF@2526584 400085591
400085592	SURFACE AGRMT/SURETY	LF@2526585 400085592
400085595	DRILLING PLAN	LF@2526586 400085595
400085596	EXCEPTION LOC REQUEST	LF@2526587 400085596
400085597	EXCEPTION LOC WAIVERS	LF@2526588 400085597

Total Attach: 12 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	PERMITTING PASSED	9/27/2010 1:26:59 PM
Permit	Called Operator for Rig Height and checking on property line distance 63'; Exception Location Request Attached	9/24/2010 4:52:21 PM
Permit	Change QTR Qtr from SWNW to Lot 2	9/24/2010 4:49:43 PM
Permit	QTR QTR is Lot 2	9/23/2010 4:20:15 PM

Total: 4 comment(s)

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