

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:

2586231

Plugging Bond Surety

20080005

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 ☐

3. Name of Operator: RED MESA HOLDINGS/O&G LLC

4. COGCC Operator Number: 10254

5. Address: 5619 DTC PARKWAY - STE 800

City: GREENWOOD State: CO Zip: 80111
VILLAGE

6. Contact Name: RICH LARSON Phone: (970)588-3302 Fax: (970)588-3562
Email: RLARSON@REDMESA1.COM

7. Well Name: MACY Well Number: 2

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

9. Proposed Total Measured Depth: 3500

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 14 Twp: 33N Rng: 12W Meridian: N

Latitude: 37.102430 Longitude: -108.117400

Footage at Surface: 1975 FNL/FSL FSL 2030 FEL/FWL FEL

11. Field Name: RED MESA Field Number: 72890

12. Ground Elevation: 6699 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 04/26/2010 PDOP Reading: 2.0 Instrument Operator's Name: SCOTT WIEBE

15. 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 ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 1700 ft

18. Distance to nearest property line: 601 ft 19. Distance to nearest well permitted/completed in the same formation: 1880 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.)
GALLUP	GLLP			

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):
W/2SE/4 SEC 14, T33N, R12W

25. Distance to Nearest Mineral Lease Line: 601 ft 26. Total Acres in Lease: 80

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: _____

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	9+5/8	39	374	100	300	0
1ST	8+1/4	7+1/4	20	1,500	220	1,500	0
2ND	6+1/4	4+1/2	15.5	3,500	300	3,500	0

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

33. Comments NO CONDUCTOR CASING FOR THIS WELL.

34. Location ID: 412925

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: RICHARD A. LARSON

Title: VP FIELD SUPERINTENDANT Date: 7/20/2010 Email: RLARSON@REDMESA1.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: 9/30/2010

API NUMBER

05 067 09783 00

Permit Number: _____ Expiration Date: 9/29/2012

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.

none

Attachment Check List

Att Doc Num	Name	Doc Description
2586231	APD ORIGINAL	LF @ 2522581 2586231

Total Attach: 1 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	PERMITTING PASSED	9/30/2010 8:31:21 AM
Permit	Onsite Inspeiton? This well location is not pending an inspection.	9/20/2010 12:53:42 PM
Permit	We have two applications that need to be failed 2586321 and 2586231 for Red Mesa Holdings both are missing the plugging bond and I sent an e-mail out twice today with no response. Julie Vigil of the COGCC Permitting Group was copied on the e-mail.	8/16/2010 10:00:12 AM
Permit	Opr corrected problem. kk	8/16/2010 9:59:27 AM

Total: 4 comment(s)

Error: Subreport could not be shown.