

| | | | |
|---|---|---|----------------------|
| 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:
 2584922
 Plugging Bond Surety

3. Name of Operator: RED WILLOW PRODUCTION COMPANY 4. COGCC Operator Number: 81295

5. Address: P O BOX 369
 City: IGNACIO State: CO Zip: 81137

6. Contact Name: DENNIS CORKRAN Phone: (970)563-5163 Fax: (970)563-5161
 Email: DCORKRAN@RWPC.US

7. Well Name: NC UTE 23D Well Number: 2H

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

9. Proposed Total Measured Depth: 6309

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 23 Twp: 32N Rng: 4W Meridian: N
 Latitude: 37.002100 Longitude: -107.249800

Footage at Surface: 1807 feet FSL 454 feet FEL

11. Field Name: IGNACIO BLANCO Field Number: 38300

12. Ground Elevation: 6196 13. County: ARCHULETA

14. GPS Data:

Date of Measurement: 10/20/2009 PDOP Reading: 3.0 Instrument Operator's Name: RANDY RUSSELL

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
760 FSL 1700 FEL 760 FNL 760 FEL
 Sec: 23 Twp: 32N Rng: 4W Sec: 23 Twp: 32N Rng: 4W

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: 135 ft

18. Distance to nearest property line: 400 ft 19. Distance to nearest well permitted/completed in the same formation: 1500 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 | 112-210 | 360 | E/2, E/2W/2 |

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

21. Mineral Ownership: Fee State Federal Indian Lease #: 750082008
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.
25. Distance to Nearest Mineral Lease Line: 760 ft 26. Total Acres in Lease: 12288

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 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? Yes No
31. Mud disposal: Offsite Onsite **If 28, 29, or 30 are "Yes" a pit permit may be required.**
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 | Wt/Ft | Csg/Liner Top | Setting Depth | Sacks Cmt | Cmt Btm | Cmt Top |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| CONDUCTOR | 15 | 13+3/8 | 48 | 0 | 100 | 50 | 100 | 0 |
| SURF | 12+1/4 | 9+5/8 | 32.3 | 0 | 800 | 425 | 800 | 0 |
| 1ST | 8+3/4 | 7 | 23 | 0 | 3,579 | 402 | 3,579 | 0 |
| 2ND | 6+1/4 | 4+1/2 | 11.6 | | 6,309 | | | |

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None
33. Comments SURFACE LOCATION IS IN NEW MEXICO. TOP OF PRODUCTION AND BOTOM HOLE ARE IN COLORADO. PER THOM KERR, NEW MEXICO OIL CONSERVATION DIVISION WILL USE API NUMBER FOR THIS WELL. NO FORM 2A ATTACHED BECAUSE SURFACE LOCATION IS IN NEW MEXICO.

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: DENNIS CORKRAN
Title: DRILLING AND PRODUCTION M Date: 10/25/2010 Email: DCORKRAN@RWPC.US

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: 4/7/2011
Permit Number: _____ Expiration Date: 4/6/2013

API NUMBER

05 007 06305 00

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.

The State of Colorado will require all the usual forms be submitted. Including but not limited to the following: DrillingCompletion Report (form 5); with attachments including As-Drilled GPS, Directional Survey, Logs Completed IntervalReport (form 5A) Production Report (form 7) Certification of Clearance and/or Change of Operation (form 10) Well Abandonment Report (form 6) when applicable.

None - Tribal

Attachment Check List

| Att Doc Num | Name |
|-------------|-------------------------|
| 2584922 | APD ORIGINAL |
| 2584923 | WELL LOCATION PLAT |
| 2584924 | TOPO MAP |
| 2584925 | LEGAL/LEASE DESCRIPTION |
| 2584926 | SURFACE AGRMT/SURETY |
| 2584927 | DEVIATED DRILLING PLAN |
| 2584928 | FED. DRILLING PERMIT |
| 2584929 | SURFACE PLAN |
| 2584930 | DRILLING PLAN |
| 2584931 | OTHER |

Total Attach: 10 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| Permit | PERMITTING PASSED- JLV | 4/7/2011 3:36:50 PM |
| Permit | State of New Mexico called (Charlie Perrin) ready to pass the subject well waiting on COGCC for API# | 4/7/2011 3:36:32 PM |
| Permit | State of New Mexico W/O archeological concurrence from the Regional BIA office. JLV | 3/15/2011 10:11:59 AM |
| Permit | State of New Mexico W/O letter of clearance from State Historical Preservation Office, hence APD not yet approved. JLV | 1/21/2011 2:09:20 PM |
| Permit | W/O State of New Mexico Approval; called today for confirmation. JLV | 1/14/2011 1:13:29 PM |
| Permit | Ready to pass once New Mexico passes the surface location. | 11/18/2010 2:28:18 PM |
| Permit | Called State of New Mexico about the APD and found that the application is pending approval waiting on Operator Bond for the State of NM. JLV | 11/18/2010 2:23:24 PM |
| Permit | Surface Location in New Mexico; Form 2A exempt; Top of Production and Bottom Hole Located in Colorado. JLV | 11/5/2010 12:49:58 PM |

Total: 8 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|-------------|----------------|
| | |

Total: 0 comment(s)