


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		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">DE</td> <td style="width: 25%;">ET</td> <td style="width: 25%;">OE</td> <td style="width: 25%;">ES</td> </tr> </table>	DE	ET	OE	ES
DE	ET	OE	ES				
APPLICATION FOR PERMIT TO:			Document Number: 2592793 Plugging Bond Surety 20030098				
1. <input checked="" type="checkbox"/> Drill, <input type="checkbox"/> Deepen, <input type="checkbox"/> Re-enter, <input type="checkbox"/> Recomplete and Operate							
2. TYPE OF WELL OIL <input type="checkbox"/> GAS <input type="checkbox"/> COALBED <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> COMMINGLE ZONE <input type="checkbox"/>		Refiling <input type="checkbox"/> Sidetrack <input type="checkbox"/>					
3. Name of Operator: <u>SG INTERESTS I LTD</u>		4. COGCC Operator Number: <u>77330</u>					
5. Address: <u>PO BOX 26</u> City: <u>MONTROSE</u> State: <u>CO</u> Zip: <u>81402</u>							
6. Contact Name: <u>CATHERINE DICKERT</u> Phone: <u>(970)209-6464</u> Fax: <u>(970)252-0939</u> Email: <u>CDICKERT@SGINTERESTS.COM</u>							
7. Well Name: <u>PASCO SPADAFORA</u>		Well Number: <u>3</u>					
8. Unit Name (if appl): _____		Unit Number: _____					
9. Proposed Total Measured Depth: <u>5200</u>							
WELL LOCATION INFORMATION							
10. QtrQtr: <u>NENE</u> Sec: <u>27</u> Twp: <u>11S</u> Rng: <u>90W</u> Meridian: <u>6</u> Latitude: <u>39.077040</u> Longitude: <u>-107.426240</u>							
Footage at Surface: <u>455</u> feet FNL/FSL <u>FNL</u> <u>510</u> feet FEL/FWL <u>FEL</u>							
11. Field Name: <u>Wildcat</u>		Field Number: <u>99999</u>					
12. Ground Elevation: <u>7470</u>		13. County: <u>GUNNISON</u>					
14. GPS Data: Date of Measurement: <u>05/10/2010</u> PDOP Reading: <u>1.5</u> Instrument Operator's Name: <u>DAVID G. NICEWICZ</u>							
15. If well is <input type="checkbox"/> Directional <input type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
17. Distance to the nearest building, public road, above ground utility or railroad: <u>214 ft</u>							
18. Distance to nearest property line: <u>1644 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>5000 ft</u>							
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.)			
CAMEO COAL	CMEOC						
COZZETTE CORCORAN	CZ-CR						
SOUTH CANYON COAL	COAL						

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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):
HES SURVEY #70-T11S R90W IN SECTIONS 22, 23, 26, 27

25. Distance to Nearest Mineral Lease Line: _____ 500 ft 26. Total Acres in Lease: _____ 155

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	24	20	133	0	80	100	80	0
SURF	12+1/4	9+5/8	40	0	400	220	400	0
1ST	8+1/2	5+1/2	17	0	5,200	685	5,200	0

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

33. Comments _____

34. Location ID: _____ 413893

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: CATHERINE DICKERT

Title: ENVIRONMENTAL & PERMIT MG Date: 1/27/2011 Email: CDICKERT@SGINTERESTS.C

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: 4/29/2011

API NUMBER

05 051 06102 00

Permit Number: _____ Expiration Date: 4/28/2013

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) IF OPERATOR USES A RESERVE PIT, IT MUST BE LINED.

(3) OPERATOR MUST ENSURE 110 PERCENT SECONDARY CONTAINMENT FOR ANY VOLUME OF FLUIDS CONTAINED AT WELL-SITE DURING DRILLING AND COMPLETION OPERATIONS. IF FLUIDS ARE CONVEYED VIA PIPELINE, OPERATOR MUST IMPLEMENT BEST-MANAGEMENT-PRACTICES TO CONTAIN ANY UNINTENTIONAL RELEASE OF FLUIDS.

(4) THE MOISTURE CONTENT OF ANY DRILL CUTTINGS IN A CUTTINGS PIT, TRENCH, OR PILE SHALL BE AS LOW AS PRACTICABLE TO PREVENT ACCUMULATION OF LIQUIDS GREATER THAN DE-MINIMIS AMOUNTS. AT THE TIME OF CLOSURE, THE DRILL CUTTINGS MUST ALSO MEET THE APPLICABLE STANDARDS OF TABLE 910-1.

(5) THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 00 FEET DEEP.

Attachment Check List

Att Doc Num	Name
2592793	APD ORIGINAL
2592794	WELL LOCATION PLAT
2592795	TOPO MAP
2592796	MINERAL LEASE MAP
2592797	SURFACE AGRMT/SURETY

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Deleted unit information and added field name and number	2/23/2011 5:04:53 PM
LGD	I am the Local Government Designee for Gunnison County, Colorado.I request that the Commission include, as a specific condition, that the Operator is required to obtain all necessary Gunnison County permits.	2/22/2011 2:24:32 PM

Total: 2 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)