

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:

1635729

Plugging Bond Surety

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: GOSNEY & SONS INC 4. COGCC Operator Number: 34725
5. Address: P O BOX 367
City: BAYFIELD State: CO Zip: 81122
6. Contact Name: MATT BARNETT Phone: (970)884-9533 Fax: (970)884-0321
Email: MATTB@GOSNEYCO.COM
7. Well Name: GOSNEY Well Number: 3-A
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 3492

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 12 Twp: 33N Rng: 7W Meridian: N
Latitude: 37.122360 Longitude: -107.556770

Footage at Surface: 1209 feet FNL/FSL 1841 feet FEL/FWL FEL

11. Field Name: IGNACIO BLANCO Field Number: 38300
12. Ground Elevation: 6560 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 05/03/2010 PDOP Reading: 6.0 Instrument Operator's Name: STEVE C. MCCORMACK PLS

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

Footage at Top of Prod Zone: FNL/FSL 1847 FNL 851 FEL 1954 FNL 680 FEL 1954
Bottom Hole: FNL/FSL 1954 FNL 680 FEL 1954
Sec: 12 Twp: 33N Rng: 7W Sec: 12 Twp: 33N Rng: 7W

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: 1680 ft

18. Distance to nearest property line: 550 ft 19. Distance to nearest well permitted/completed in the same formation: 1167 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	112-193	320	N/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 Bond ☐ \$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):
SE/4NE/4 SEC 12, T33N, R7W, NMPPM

25. Distance to Nearest Mineral Lease Line: _____ 471 ft 26. Total Acres in Lease: _____ 40

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

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
SURF	12+1/4	8+5/8	24		500	360	500	0
1ST	7+7/8	5+1/2	17		3,480	600	3,480	0

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

33. Comments _____

34. Location ID: _____ 306856

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: MATTHEW BARNETT

Title: SECRETARY Date: 5/6/2011 Email: MATTB@GOSNEYCO.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: 6/9/2011

API NUMBER

05 067 09857 00

Permit Number: _____ Expiration Date: 6/8/2013

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) Provide 48 hour notice of spud to BLM
- 2) Provide cement coverage of production casing from TD to surface. Verify cement coverage with Cement Bond Log.
- 3) Run and submit Directional Survey from TD to kick-off point
- 4) 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.
- 5) Sample and test two closest water wells within 1/4 mile swath of the directional wellbore intercepting Fruitland Coal (includes pathway from top to bottom of pay).
- 6) 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
- 7) Comply with all applicable provisions of Order 112-193

Attachment Check List

Att Doc Num	Name
1635729	APD ORIGINAL
1635730	WELL LOCATION PLAT
1635731	TOPO MAP
1635732	SURFACE AGRMT/SURETY
1635733	DEVIATED DRILLING PLAN
1635734	FED. DRILLING PERMIT
1635735	CONST. LAYOUT DRAWINGS
1635736	ACCESS ROAD MAP
1635737	DRILLING PLAN
1635738	LOCATION PICTURES
1635739	LOCATION PICTURES
1635740	OTHER
1635741	OTHER
1635829	CONST. LAYOUT DRAWINGS
1857188	SELECTED ITEMS REPORT

Total Attach: 15 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)

BMP

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

Total: 0 comment(s)