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Document Number:
2588911

PluggingBond SuretyID
20090091

APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL
 OIL GAS COALBED OTHER _____
 SINGLE ZONE MULTIPLE COMMINGLE

Refiling
 Sidetrack

3. Name of Operator: BAYHORSE PETROLEUM LLC 4. COGCC Operator Number: 10234
 5. Address: 2558 E PORTSMOUTH AVE
 City: SALT LAKE CITY State: UT Zip: 84121
 6. Contact Name: ROD VAUGHN Phone: (435)752-2021 Fax: (435)752-2021
 Email: RLVAUGHN47@Q.COM
 7. Well Name: TRADE WINDS Well Number: 2-21
 8. Unit Name (if appl): _____ Unit Number: _____
 9. Proposed Total Measured Depth: 5250

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 21 Twp: 18S Rng: 47W Meridian: 6
 Latitude: 38.471110 Longitude: -102.682400
 Footage at Surface: 620 feet FSL 2020 feet FEL
 11. Field Name: LEFT HAND Field Number: 48880
 12. Ground Elevation: 4145 13. County: KIOWA

14. GPS Data:
 Date of Measurement: 09/26/2011 PDOP Reading: 3.1 Instrument Operator's Name: KEITH WESTFALL, HIGH PRAIRIE SURVEY

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: 990 ft
 18. Distance to nearest property line: 620 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1279 ft

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.)
Marmaton	MRTN			
SPERGEN	SPGN			

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):

S/2 SE, SEC 21, T18S-R47W. 6TH PM

25. Distance to Nearest Mineral Lease Line: 620 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 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: DRY & BACKFILL

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	0	400	110	400	0
1ST	7+7/8	4+1/2	10.5	0	5,250	200	5,250	4,000
S.C. 1.1						120	1,550	850

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

33. Comments NO CONDUCTOR PIPE WILL BE SET

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: RODNEY L. VAUGHN

Title: PRESIDENT Date: 9/21/2011 Email: RLVAUGHN47@Q.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: 10/17/2011

API NUMBER
05 061 06865 00

Permit Number: _____ Expiration Date: 10/16/2013

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.

Final review completed, issued under limited comment period. BY

- 1) Provide 24 hour notice of MIRU to Craig Quint at 719-767-8939 or e-mail at craig.quint@state.co.us.
- 2) If production casing is set cement from TD to 200' above Marmaton (TD - 4000') and stage cement Cheyenne & Dakota interval (1550' – 850'). Run CBL to verify primary and stage cement.
- 3) If well is a dry hole set the following plugs: 40 sks cement 50' above the Marmaton, 40 sks cement across any DST w/ show, 40 sks cement 50' below base of Cheyenne (1550' up), 40 sks cement 50' above top of the Dakota (850' up), 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface csg, cut 4 feet below GL, weld on plate, 5 sks cement in rat hole and mouse hole.

Attachment Check List

Att Doc Num	Name
1792325	CORRESPONDENCE
2588911	APD ORIGINAL
2588912	WELL LOCATION PLAT
2588913	TOPO MAP
2588914	SURFACE AGRMT/SURETY
2588915	WAIVERS
2588916	H2S CONTINGENCY PLAN

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Operator requests exigent circumstances due to rig situation. Request letter on file. LGD waiver on file. BY	10/13/2011 7:07:28 AM
Permit	Received FAX with Exigent Circumstances request and authorization to add Marmation to Objective Formations. LGD waiver already on file in Form 2.	10/12/2011 7:58:03 AM
Permit	Phone conversation with Rod Vaughn 10/6/11 considering asking for exigent circumstances, Al Gross' rig is available. Was going to add Marmaton (252-8) to the Objective Formations. Planned on FAXing the update and request letters. Haven't seen them as of 10/11/11	10/11/2011 8:22:35 AM
Permit	Plugging bond #? 20090091 Conductor pipe statement? No conductor will be set. O&G location assessment? Yes Made the above corrections with verbal permission of operator.	10/5/2011 12:16:34 PM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)