

San Juan Basin Operators Checklist

Please submit this checklist with all Application for Permits-to-Drill (APD) subject to Order Nos. 112-156 and 112-157.

Well Name: Melson 34-7-24 #1
Location: SW/4NW/4, Sec.19, T34N, R6W, NMPM

1. * Is the proposed well within 1½ miles of the outcrop contact between the Fruitland and Pictured Cliffs Formations?

Yes No

If yes: A Commission Hearing is required for APD approval.

2. * Is the proposed well within 2 miles of the outcrop contact between the Fruitland and Pictured Cliffs Formations?

Yes No

If yes: An onsite inspection is required prior to APD approval.

3. Is the proposed well located within an approved subdivision?

Yes No

If yes: An onsite inspection is required prior to APD approval.

4. Have the land owner and operator entered into a surface use agreement?

Yes No

If no: An onsite inspection is required prior to APD approval.

5. * Does a conventional well exist within ¼ mile of proposed well?

Yes No

If yes: Two closest water wells within ½ mile radius shall be sampled (water wells on opposite sides of a conventional well if possible; otherwise the two closest wells).

If no: The two closest water wells within ¼ mile radius of the proposed well shall be sampled (water wells on opposite sides of the proposed well if possible; otherwise the two closest wells).

If two water wells do not exist within ¼ mile radius sample the closest single well within a ¼ mile or a ½ mile.

If no water well exists within ¼ mile or access is denied, sample water well within ½ mile.

If no water well meets the above requirements no sampling is required.

6. * Do any P&A'd wells exist within ¼ mile radius of the proposed well?

Yes No

If yes: Operator must assess risk of P&A'd wells and report the risk assessment to the Director.

7. Has an emergency preparedness plan been filed with the County?

La Plata County Yes No

Archuleta County Yes No

8. Has the operator notified the Division of Wildlife of the proposed drilling and informed the COGCC Director of the notification date? Yes 10/20/2011 Date notified

9. Operators are required to obtain a bottom hole pressure utilizing a bottom hole gauge after a minimum forty-eight (48) hour shut-in period following completion and prior to sales.