

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: Colorado 32-7 #10-3

Location: NE/4NW/4, Sec.4, T32N, R7W, N.M.P.M.

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

 Yes X 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 X No

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

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

 Yes X 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?

 X 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?

 X 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 X 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 X 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? X Yes 10/11/2011 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.