

FORM  
2

Rev  
12/05

# State of Colorado Oil and Gas Conservation Commission

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Document Number:

2287276

Date Received:

02/06/2012

PluggingBond SuretyID

20080001

## 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: 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: KELSALL 33-7 Well Number: 4-3

8. Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

9. Proposed Total Measured Depth: 3881

## WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 4 Twp: 33N Rng: 7W Meridian: N

Latitude: 37.136910 Longitude: -107.614300

Footage at Surface: 1169 feet FNL 2589 feet FWL

11. Field Name: IGNACIO BLANCO Field Number: 38300

12. Ground Elevation: 6701 13. County: LA PLATA

### 14. GPS Data:

Date of Measurement: 06/01/2011 PDOP Reading: 6.0 Instrument Operator's Name: STEVEN C. MCCORMACK PLS

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 \_\_\_\_\_  
1815 FNL 1100 FWL 1960 FNL 800 FWL  
Sec: 4 Twp: 33N Rng: 7W Sec: 4 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: 680 ft

18. Distance to nearest property line: 122 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1404 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          | 112-190                 | 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):

NW/4 EAST OF THE CENTER OF THE PINE RIVER, NW/4NE/4 SECTION 4, T33N, R7W, NMPM - SEE ATTACHED MAP.

25. Distance to Nearest Mineral Lease Line: 787 ft 26. Total Acres in Lease: 172

### 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 |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| SURF        | 12+1/4       | 8+5/8          | 24    |               | 500           | 360       | 500     | 0       |
| 1ST         | 7+7/8        | 5+1/2          | 17    |               | 3,840         | 675       | 3,840   | 0       |

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

33. Comments \_\_\_\_\_

34. Location ID: 424701

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: 2/3/2012 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:  Director of COGCC Date: 3/6/2012

**API NUMBER**  
05 067 09882 00

Permit Number: \_\_\_\_\_ Expiration Date: 3/5/2014

**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 Steve Labowski 970-259-0945 steve.labowski@state.co.us  
Provide the following information: Operator Name, Well Name and Number, API #, Spud Date, Contact Name, Contact Phone #, Email Address
- 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.
- 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 112-190

**Attachment Check List**

| Att Doc Num | Name                   |
|-------------|------------------------|
| 1792436     | VARIANCE REQUEST       |
| 1857217     | SELECTED ITEMS REPORT  |
| 2287276     | FORM 2 SUBMITTED       |
| 2287277     | WELL LOCATION PLAT     |
| 2287278     | SURFACE PLAN           |
| 2287279     | MINERAL LEASE MAP      |
| 2287280     | SURFACE AGRMT/SURETY   |
| 2287281     | OTHER                  |
| 2287282     | DEVIATED DRILLING PLAN |
| 2287283     | WAIVERS                |

Total Attach: 10 Files

**General Comments**

| <b><u>User Group</u></b> | <b><u>Comment</u></b>  | <b><u>Comment Date</u></b> |
|--------------------------|--|----------------------------|
| Permit                   | Received "request letter" and attached. Final review completed.  | 3/2/2012 8:34:14 AM        |
| Permit                   | LGD and public comments expire on 2/29/12. Have requested a "request letter" for the 603 a.(2) variance. | 2/29/2012 6:37:02 AM       |

Total: 2 comment(s)

**BMP**

| <b><u>Type</u></b> | <b><u>Comment</u></b> |
|--------------------|-----------------------|
|                    |                       |

Total: 0 comment(s)