

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



Document Number:

2287060

Date Received:

01/23/2012

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

PluggingBond SuretyID

3. Name of Operator: MCELVAIN ENERGY INC

4. COGCC Operator Number: 55575

5. Address: 1050 17TH ST STE 2500

City: DENVER State: CO Zip: 80265-2080

6. Contact Name: JIM MCKINNEY Phone: (303)893- Fax: (303)893-0914

Email: TIM@FINNEYLAND.COM

7. Well Name: BULLSEYE Well Number: 11

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 4218

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 20 Twp: 33N Rng: 8W Meridian: N

Latitude: 37.086720 Longitude: -107.746220

Footage at Surface: 1652 feet FSL 1144 feet FWL

11. Field Name: IGNACIO BLANCO Field Number: 38300

12. Ground Elevation: 7138 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 06/02/2009 PDOP Reading: 3.0 Instrument Operator's Name: NELSON ROSS

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
857 FSL 2058 FWL 660 FSL 2310 FWL
Sec: 20 Twp: 33N Rng: 8W Sec: 20 Twp: 33N Rng: 8W

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: 2600 ft

18. Distance to nearest property line: 185 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1560 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	112-217	320	S/2

21. Mineral Ownership: Fee State Federal Indian Lease #: 142015122

22. Surface Ownership: Fee State Federal Indian

23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID#: 20020109

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):

SEE MAP ATTACHED

25. Distance to Nearest Mineral Lease Line: 660 ft 26. Total Acres in Lease: 2440

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: CLOSED LOOP

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		600	420	600	0
1ST	7+7/8	5+1/2	15.5		4,218	480	4,218	0

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

33. Comments NO CONDUCTOR CASING

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: TIM G. KELLEY

Title: AGENT Date: 1/18/2012 Email: TIM@FINNEYLAND.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: [Signature] Director of COGCC Date: 3/18/2012

API NUMBER

05 067 09885 00

Permit Number: _____ Expiration Date: 3/17/2014

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.

None - Tribal

Attachment Check List

Att Doc Num	Name
1792420	LEGAL/LEASE DESCRIPTION
2287060	APD ORIGINAL
2287061	WELL LOCATION PLAT
2287062	TOPO MAP
2287063	LEASE MAP
2287064	DRILLING PLAN
2287065	DEVIATED DRILLING PLAN
2287066	OTHER

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed.	3/14/2012 5:32:56 AM
Permit	Distance to nearest lease line 660' as per lease map.	3/14/2012 5:21:33 AM
Permit	Emailed Tim Kelley as distance to nearest lease line appears to be closer to 660' versus the 1654' given.	2/13/2012 6:48:07 AM
Permit	Possibly a refile? Should not have surface bond information.	1/25/2012 9:05:22 AM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)