

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:

2286792

Date Received:

01/12/2012

PluggingBond SuretyID

20030098

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: SG INTERESTS I LTD

4. COGCC Operator Number: 77330

5. Address: PO BOX 26

City: MONTROSE State: CO Zip: 81402

6. Contact Name: CATHERINE DICKERT Phone: (970)209-6464 Fax: (970)252-0636

Email: CDICKERT@SGINTERESTS.COM

7. Well Name: ECK 12-90-1 Well Number: 1

8. Unit Name (if appl): BULL MOUNTAIN U Unit Number: COC067120
X

9. Proposed Total Measured Depth: 4650

WELL LOCATION INFORMATION

10. QtrQtr: Lot 1 Sec: 1 Twp: 12S Rng: 90W Meridian: 6

Latitude: 39.048170 Longitude: -107.390720

Footage at Surface: 435 feet FNL/FSL 982 feet FEL/FWL FEL

11. Field Name: West Muddy Creek Field Number: 91970

12. Ground Elevation: 7543 13. County: GUNNISON

14. GPS Data:

Date of Measurement: 11/02/2010 PDOP Reading: 2.0 Instrument Operator's Name: DAVID G. NICEWICZ

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: 5690 ft

18. Distance to nearest property line: 435 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 11880 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.)
CAMEO COAL	CMEOC			
COZZETTE-CORCORAN	CZ-CR			
MESAVERDE COAL	MVRDC			

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):
SEE ATTACHED LEASE MAP.

25. Distance to Nearest Mineral Lease Line: 435 ft 26. Total Acres in Lease: 148

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
CONDUCTOR	26	16	50	0	80	185	80	0
SURF	12+1/4	9+5/8	40	0	400	220	400	0
1ST	8+1/2	5+1/2	17	0	4,650	600	4,650	0

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

33. Comments _____

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: CATHERINE DICKERT

Title: ENVIRONMENTAL&PERMITTING Date: 1/11/2012 Email: CDICKERT@SGINTERESTS.

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: 3/18/2012

API NUMBER

05 051 06107 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.

1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

2) THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1 MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 000 FEET DEEP.

Attachment Check List

Att Doc Num	Name
2286792	FORM 2 SUBMITTED
2286793	WELL LOCATION PLAT
2286794	TOPO MAP
2286795	MINERAL LEASE MAP
2286796	OIL & GAS LEASE
2286797	OTHER

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	LGD passed; public comments waived. Final Comprehensive Review Status--passed	3/14/2012 3:17:38 PM
LGD	<p>A representative of Gunnison County (Allen Moores) participated in the February 10, 2012 onsite. Based on that participation, Gunnison County makes the following comments:</p> <p>The onsite disclosed that the proposed site will be separated from the nearest wetlands by a geographic feature which addresses the third LGD comment previously made.</p> <p>The onsite confirmed Gunnison County's concerns regarding the location being in a sensitive wildlife habitat area. Gunnison County respectfully reiterates the previous LGD request for a consultation with CDOW.</p> <p>The onsite disclosed that a proposed route of a waterline and/or a gas line will pass through a wetland. Also, that potential routes are available that would not pass through a wetland. Gunnison County requests that the route through a wetland not be approved, and that an alternate be required to avoid the wetlands.</p> <p>Thank you, David Baumgarten, Gunnison County Attorney, Local Government Designee</p>	2/13/2012 4:43:40 PM
Permit	Per request from Gunnison County, the LGD and Public Comment period is extended until February 12. The LGD review task has been changed from "pass" to "active".	1/27/2012 7:06:41 AM

LGD	<p>First, may I request a brief extension of the LGD comment period. The LGD has been informed by Dave Kubeczko that an onsite is scheduled for February 10, 2012 - 8 days after LGD comments are due. It is the intent of Gunnison County to participate in the onsite and therefore, Gunnison County requests an opportunity to make comments after the onsite has been concluded.</p> <p>Second, may I request a Colorado Division of Wildlife (CDOW) consultation because the Form 2A at paragraph 1 indicates the location is in a sensitive wildlife habitat area. Gunnison County acknowledges the applicant's proposed Best Management Practices including those that deal with wildlife habitat, but requests an opportunity to review these with the CDOW.</p> <p>Third, although Form 2A at paragraph 14 indicates that distance in feet from a water body is 614 feet, a document submitted by the applicant to Gunnison County indicates that the site is approximately 390 feet from a wetland. The applicant has requested from Gunnison County a technical feasibility waiver under the county regulations. This is an opportunity for COGCC and Gunnison County to work with the applicant to explore whether the site can be moved or scope of pad reduced to obtain a setback of more than 500' from a wetland.</p>	1/26/2012 4:15:15 PM
Permit	Added commingle as no	1/20/2012 11:05:30 AM
Permit	Corrected the following per operators email request. Missing plugging bond. Field name and number. Invalid surface and minerals info. QtrQtr should read lot 1	1/13/2012 9:36:31 AM
Permit	Missing plugging bond. Field name and number. Invalid surface and minerals info. QtrQtr should read lot 1 Emailed operator 1/13/12	1/12/2012 2:26:02 PM

Total: 7 comment(s)

BMP

Type

Comment

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Total: 0 comment(s)