

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:

2287673

Date Received:

03/02/2012

PluggingBond SuretyID

20100148

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: GILBERT-STEWART OPERATING LLC

4. COGCC Operator Number: 34105

5. Address: 1801 BROADWAY STE 450

City: DENVER State: CO Zip: 80202

6. Contact Name: KENT GILBERT Phone: (303)534-1686 Fax: ()

Email: KGOIL@MSN.COM

7. Well Name: MILLER Well Number: 1

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

9. Proposed Total Measured Depth: 5200

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 12 Twp: 15S Rng: 45W Meridian: 6

Latitude: 38.767167 Longitude: -102.390565

Footage at Surface: 660 feet FNL/FSL 660 feet FEL/FWL
FNL FEL

11. Field Name: LADDER CREEK Field Number: 47600

12. Ground Elevation: 4271 13. County: CHEYENNE

14. GPS Data:

Date of Measurement: 04/05/2012 PDOP Reading: 0.0 Instrument Operator's Name: jps

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: 660 ft

18. Distance to nearest property line: 660 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1320 ft

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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| ST. LOUIS | STLS | | | |

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):
 NE/4 SEC 12 T15S R45W

25. Distance to Nearest Mineral Lease Line: 660 ft 26. Total Acres in Lease: 160

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 | 17+1/2 | 13+3/8 | 54 | 0 | 426 | 250 | 426 | 0 |
| 1ST | 7+7/8 | 5+1/2 | 15.5 | 0 | 5,320 | 74 | 5,320 | 4,900 |

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

33. Comments _____

34. Location ID: 321860

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: KENT L. GILBERT

Title: MANAGER Date: 2/28/2012 Email: KGOIL@MSN.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: 4/6/2012

| | | |
|--------------------------------------|----------------------|----------------------------------|
| API NUMBER 05 017 07193 00 | Permit Number: _____ | Expiration Date: <u>4/5/2014</u> |
|--------------------------------------|----------------------|----------------------------------|

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 remedial cement behind 5 1/2" production casing as follows:
 a) From current TOC of 4900' or minimum 4300' up to 3800' (200' below to 200' above Shawnee). Shawnee produced in API#017-07204, located 1700' to NE in SWSW 6-15S-44W.
 b) Across Cheyenne/Dakota interval (2200' – 1600' minimum).
 c) Verify with CBL, and submit with updated Form 5.

Attachment Check List

| Att Doc Num | Name |
|-------------|----------------------|
| 2287673 | FORM 2 SUBMITTED |
| 2331971 | SURFACE CASING CHECK |

Total Attach: 2 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|---|--------------------------|
| Permit | Missing as-drilled GPS to be added to state-wide cleanup project list. Final Review passed 4/4/2012 | 4/4/2012 10:02:37 AM |
| Permit | Email to opr that as-drilled gps has not been uploaded and requested duplicate submittal. NKP 4/3/2012 | 4/3/2012 3:41:34 PM |
| Permit | Per K. Gilbert 4/2/2012: 1) Thanks for entering the plugging bond #. 2) Casing design should be good per the 1990 completion info. 3) OK on the spacing 4) The GPS info was submitted for all of our Ladder Creek wells prior to the 2005 deadline. I did list the GPS info which I assume the website populated from our original submitted documents. 5) we have decided to NOT use any earthen pits. All of our fluids will be contained in steel tanks so it looks like we will not need a Form 2A. | 4/3/2012 3:17:15 PM |
| Permit | Email to opr 3/30/2012: 1) The Form 2 as submitted does not include a plugging bond number. According to the COGCC website Gilbert Stewart does have an active blanket plugging bond #20100148. With your approval, I will enter that enter on the Form 2. 2)Casing information was omitted from the submitted Form 2, but the engineer who reviewed the form entered information from the 1990 completion report. Let me know if you have any problem with that information. 3)According to the COGCC website, Spacing Order #219 was rescinded for these lands on August 5, 1997. With your permission I will leave the Objective Formation and code as St. Louis, STLS, but will delete the spacing order, unit acreage and unit configuration. 4)As-drilled gps location information was not submitted for this well as required by policy October 31, 2005. If you are not able to submit this information on a Form 4 Sundry notice prior to approval of the permit, then a condition of approval will be added to the permit requiring that it be submitted. 5) Please advise if surface disturbance beyond the existing pad is planned, or if a pit will be required, so that we can determine if a Form 2A will be needed. | 3/30/2012 12:08:59 PM |
| Engineer | Filled out casing info using 1990 Form 5 #0554015 on file. | 3/26/2012 1:00:11 PM |
| Permit | Missing plugging bond. Kent Gilbert is not an agent. Missing PDOP data. Missing casing data. | 3/7/2012 8:35:04 AM |

Total: 6 comment(s)

BMP

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

Total: 0 comment(s)