

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

2237212

Date Received:

06/22/2012

PluggingBond SuretyID

20090091

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: BAYHORSE PETROLEUM LLC

4. COGCC Operator Number: 10234

5. Address: 2558 E PORTSMOUTH AVE

City: SALT LAKE CITY State: UT Zip: 84121

6. Contact Name: ROD VAUGHN Phone: (435)752-2021 Fax: (435)752-2021

Email: RLVAUGHN47@Q.COM

7. Well Name: TRADE WINDS SOUTH Well Number: 1-27

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

9. Proposed Total Measured Depth: 5250

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 27 Twp: 18S Rng: 47W Meridian: 6

Latitude: 38.460410 Longitude: -102.673120

Footage at Surface: 1980 feet FNL/FSL 610 feet FEL/FWL
FSL FWL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 4124 13. County: KIOWA

14. GPS Data:

Date of Measurement: 06/11/2012 PDOP Reading: 3.1 Instrument Operator's Name: KEITH WESTFALL

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: 2414 ft

18. Distance to nearest property line: 610 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1985 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.)
LANSING-KANSAS CITY	LGKC			
MARMATON	MRTN	252-9	80	S/2 SW
SPERGEN	SPGN			

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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, NE/4, SE/4 OF SEC 28 AND SW/4 OF SEC 27, T18S-R47W

25. Distance to Nearest Mineral Lease Line: 610 ft

26. Total Acres in Lease: 622

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: DRY & BACKFILL

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	0	450	280	450	0
1ST	7+7/8	4+1/2	10.5	0	5,250	200	5,250	3,750

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

33. Comments NO CONDUCTOR PIPE WILL BE USED.

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: RODNEY L. VAUGHN

Title: PRESIDENT Date: 6/15/2012 Email: RLVAUGHN47@Q.COM

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: 7/16/2012

API NUMBER

05 061 06874 00

Permit Number: _____ Expiration Date: 7/15/2014

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 hr notice prior to spud via electronic Form 42.
- 2) If production casing is set cement from TD to 200' above shallowest completed interval or 200' above Lansing, whichever is shallower. Ensure cement coverage of Cheyenne & Dakota interval (1450' – 850' minimum). Verify with CBL.
- 3) If well is a dry hole set the following plugs: 40 sks cement 50' above the Lansing, 40 sks cement across any DST w/ show, 40 sks cement at 1450', 40 sks cement at 850', 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface csg, cut 4 feet below GL, weld on plate, 5 sks cement in rat hole and mouse hole.

Attachment Check List

Att Doc Num	Name
2237212	FORM 2 SUBMITTED
2237213	WELL LOCATION PLAT
2237214	TOPO MAP
2237215	30 DAY NOTICE LETTER
2237216	H2S CONTINGENCY PLAN

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review passed 7/16/2012 NKP	7/16/2012 10:10:20 AM
Permit	Per opr: Item 1. The casing tops for the surface and production casing will be "surface." No liners will be used. Item 2. OK, please make the changes as stated. The boxes for unit acreage and unit configuration should be blank for the Lansing-Kansas City and Spergen Formations. Item 3. The distance to the 2-28 well is 1,985' and should replace the figure 3,721'.	7/5/2012 2:36:21 PM
Permit	Email to opr requesting top of casing/liner, confirm unit for LGKC, SPGN, distance to nearest production.	7/3/2012 7:54:43 AM
Permit	Filled in lines 18, 19 and filed number per operator.	6/25/2012 2:58:52 PM
Data Entry	OPERATOR OMITTED ZONE ENTRY. CHECK FIELD NAME AND NUMBER OPERATOR OMITTED #18. PLEASE INFORM OPERATOR TO SUBMIT ON LEGAL SIZED PAPER.	6/25/2012 9:23:50 AM

Total: 5 comment(s)

BMP

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

Total: 0 comment(s)