

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:

400272176

Date Received:

05/01/2012

PluggingBond SuretyID

20100130

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: ELM RIDGE EXPLORATION CO LLC

4. COGCC Operator Number: 26625

5. Address: 12225 GREENVILLE AVE STE 950

City: DALLAS State: TX Zip: 95243

6. Contact Name: Terry Lindeman Phone: (505)632-3476 Fax: (505)632-8151

Email: tlindeman@elmridge.net

7. Well Name: IGE Well Number: 114

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

9. Proposed Total Measured Depth: 3129

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 18 Twp: 33N Rng: 7W Meridian: N

Latitude: 37.100760 Longitude: -107.655890

Footage at Surface: 1415 feet FSL 997 feet FWL

11. Field Name: Ignacio Blanco Field Number: 38300

12. Ground Elevation: 6537 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 05/03/2006 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 FSL FEL/FWL Bottom Hole: FNL/FSL FSL FEL/FWL
970 812 700 700
Sec: 18 Twp: 33N Rng: 7W Sec: 18 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: 450 ft

18. Distance to nearest property line: 300 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2000 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	FRLCD	112-195	320	W/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):

NE/4SW/4, NW/4SW/4, SW/4SW/4, Section 18, T33N, R7W, N.M.P.M.

25. Distance to Nearest Mineral Lease Line: 586 ft

26. Total Acres in Lease: 120

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, bury on site

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	262	400	250	0
1ST	7+7/8	5+1/2	17#	0	3,124	318	3,124	0

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

33. Comments No conductor casing for this well. It will be located on an existing well pad. Very little additional ground disturbance will occur.

34. Location ID: 311910

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: C. Brad Caskey

Title: Agent Date: 5/1/2012 Email: brad@animas.net

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: 7/26/2012

API NUMBER

05 067 09389 00

Permit Number: _____ Expiration Date: 7/25/2014

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 via COGCC form 42
- 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 1/2 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 112-195
- 8) Deepest water well within a mile is 255' with an elevation of 6580' NESE 13 33N 8W.
- 9) Set at least 262' of surface casing per Rule 317 (f) cement to surface

Attachment Check List

Att Doc Num	Name
400272176	FORM 2 SUBMITTED
400272178	DEVIATED DRILLING PLAN
400272192	30 DAY NOTICE LETTER
400272195	SURFACE AGRMT/SURETY
400272342	WELL LOCATION PLAT
400272352	OTHER

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review passed 7/25/2012 NKP	7/25/2012 3:21:34 PM
Permit	Distance to nearest lease line revised to 586 feet as per operator. Note that the nearest lease line is within unit boundary per Order 112-195.	5/3/2012 10:31:40 AM
Permit	Requested review of distance to nearest lease line. Should be closer to 600 feet.	5/3/2012 7:11:01 AM
Permit	Operator corrected surface and minerals information. This form has passed completeness.	5/2/2012 3:01:03 PM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)