

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:

2237209

Date Received:

06/22/2012

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: RED WILLOW PRODUCTION COMPANY

4. COGCC Operator Number: 81295

5. Address: P O BOX 369

City: IGNACIO State: CO Zip: 81137

6. Contact Name: DENNIS CORKRAN Phone: (970)563-5163 Fax: (970)563-5161

Email: DCORKRAN@RWPC.US

7. Well Name: SOUTE FC 33-7 Well Number: 1-5

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

9. Proposed Total Measured Depth: 3317

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 1 Twp: 33N Rng: 7W Meridian: N

Latitude: 37.136980 Longitude: -107.556270

Footage at Surface: 1158 feet FNL 1621 feet FEL

11. Field Name: IGNACIO BLANCO Field Number: 38300

12. Ground Elevation: 6643 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 09/25/2006 PDOP Reading: 3.0 Instrument Operator's Name: KENNETH REA

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
1836 FNL 822 FEL 1940 FNL 700 FEL
Sec: 1 Twp: 33N Rng: 7W Sec: 1 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: 135 ft

18. Distance to nearest property line: 110 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 872 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	112-190	320	N2

21. Mineral Ownership: Fee State Federal Indian Lease #: MOOC14201
522

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):

T33N, R7W SEC1:S/2, S/2N/2 SEC 2:SE, S/2NE SEC3:SENE, NESW SEC12:NENE, SWNE, SENW

25. Distance to Nearest Mineral Lease Line: 700 ft 26. Total Acres in Lease: 920

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: EVAPORATION & BURIAL

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	500	350	500	0
1ST	7+7/8	5+1/2	17	0	3,317	620	3,317	0

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

33. Comments NO CONDUCTOR CASING WILL BE USED. NO CHANGES HAVE BEEN MADE TO ORIGINAL APD.

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

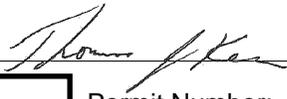
I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: DENNIS CORKRAN

Title: DRILLING & PRODUCTION MGR Date: 6/14/2012 Email: DCORKRAN@RWPC.US

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: 8/9/2012

Permit Number: _____ Expiration Date: 8/8/2014

API NUMBER
05 067 09824 00

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.

FEE SURFACE OWNERSHIP
PLEASE PROVIDE 48 HR SPUD NOTICE VIA EFORM 42
THANK YOU

Attachment Check List

Att Doc Num	Name
2237209	FORM 2 SUBMITTED

Total Attach: 1 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No changes have been made from the previously approved Form 2. Final review completed.	3/9/2012 6:22:24 AM
Permit	Directional input revised to match submitted offsets on deviated drilling plan.	3/9/2012 6:20:56 AM
Permit	Directional plan does not appear to coincide with the footage setbacks.	3/9/2012 6:14:12 AM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)