

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:

400304632

Date Received:

07/13/2012

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: SG INTERESTS I LTD

4. COGCC Operator Number: 77330

5. Address: 1485 FLORIDA RD #C202

City: DURANGO State: CO Zip: 81301

6. Contact Name: Catherine Dickert Phone: (970)385-0696 Fax: (970)385-0636

Email: cdickert@sginterests.com

7. Well Name: Federal 12-89-30 Well Number: #1

8. Unit Name (if appl): Deadman Gulch Unit Number: COC074489
X

9. Proposed Total Measured Depth: 7775

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 30 Twp: 12S Rng: 89W Meridian: 6

Latitude: 38.991860 Longitude: -107.373190

Footage at Surface: 267 feet FNL/FSL FNL 1261 feet FEL/FWL FEL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 7363.1 13. County: GUNNISON

14. GPS Data:

Date of Measurement: 11/08/2009 PDOP Reading: 0.2 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 1473 FNL 1257 FEL FEL Bottom Hole: FNL/FSL 1473 FNL 1257 FEL FEL
Sec: 30 Twp: 12S Rng: 89W Sec: 30 Twp: 12S Rng: 89W

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: 4158 ft

18. Distance to nearest property line: 267 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5280 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.)
Mancos	MNCS			

21. Mineral Ownership: Fee State Federal Indian Lease #: COC64169

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):

Sec. 30 & 31, T12S, R89W, 6thPM

25. Distance to Nearest Mineral Lease Line: 1257 ft 26. Total Acres in Lease: 1273

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	24	20		0	80		80	0
SURF	16	13+3/8	54.5	0	400	318	400	0
1ST	12+1/4	9+5/8	40	0	4,075	912	4,075	0
2ND	8+1/2	5+1/2	17	0	7,775	415	7,775	3,875

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

33. Comments No changes to Well Location Plat, Topo Map, Mineral Lease Map, Oil & Gas Lease, or Deviated Drilling Plan that was previously filed on 4/23/2010. Federal Form 3160-3 has been submitted previously.

34. Location ID: 416817

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: Env & Permitting Mgr Date: 7/13/2012 Email: cdickert@sginterests.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: Matthew Lee Director of COGCC Date: 8/31/2012

API NUMBER

05 051 06096 00

Permit Number: _____ Expiration Date: 8/30/2014

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 00 FEET DEEP.

Attachment Check List

Att Doc Num	Name
400304632	FORM 2 SUBMITTED
400322111	DIRECTIONAL DATA

Total Attach: 2 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Advised oper. that if location not built prior to expiration of 2A, an amended 2A must be submitted and approved prior to building location. No LGD or public comments. Final Review--passed.	8/31/2012 9:30:47 AM
Permit	off hold; uploaded dir. template	8/29/2012 2:13:34 PM
Permit	put on hold; oper. needs to submit dir. template.	8/23/2012 9:39:26 AM
Permit	Oper. confirmed that the top PZ and BHL footages are now the same. Location not built.	8/13/2012 7:59:25 AM
Permit	Added fed. unit name; changed #36 to "NO"; req'd dir. template., corrected BHL in dir. survey tool upload, deleted plugging bond.	3/6/2012 2:59:40 PM
Engineer	changed top of prod zone footages to match prior APD. see opr comments tab: "no changes" to prior APD. opr has also changed objective FMs. (were cameo/dakota)	7/27/2012 3:16:15 PM
Permit	Operator made corrections.	7/18/2012 3:11:16 PM
Permit	Returned to draft. Incorrect email address. BHL does not match plat.	7/16/2012 7:41:09 AM

Total: 8 comment(s)

BMP

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

Total: 0 comment(s)