

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:

400333710

Date Received:

10/15/2012

PluggingBond SuretyID

20110179

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: GUNNISON ENERGY CORPORATION4. COGCC Operator Number: 1001225. Address: 1801 BROADWAY #1200City: DENVER State: CO Zip: 802026. Contact Name: Mike Cleary Phone: (303)296-4222 Fax: (303)296-4555Email: mike.cleary@oxbow.com7. Well Name: SPU Cockroft 1294Well Number: 23-41D H1R8. Unit Name (if appl): Spaulding PeakUnit Number: COC74442X9. Proposed Total Measured Depth: 12630

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 23 Twp: 12S Rng: 94W Meridian: 6Latitude: 38.999319Longitude: -107.858864Footage at Surface: 1184 feet FNL/FSL 1275 feet FEL/FWL FEL11. Field Name: WildcatField Number: 9999912. Ground Elevation: 853913. County: DELTA

14. GPS Data:

Date of Measurement: 10/12/2012 PDOP Reading: 1.7 Instrument Operator's Name: Robert Kay - UELS15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1563 FNL 495 FEL 832 FSL 2109 FEL 832
 Bottom Hole: FNL/FSL 832 FSL 2109 FEL 832
 Sec: 23 Twp: 12S Rng: 94W Sec: 24 Twp: 12S Rng: 94W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 462 ft18. Distance to nearest property line: 470 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1196 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 #: _____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 ☐ No23b. 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):

Please see attached lease description and attached lease map.

25. Distance to Nearest Mineral Lease Line: 675 ft

26. Total Acres in Lease: 509

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: pit

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	20	16		0	120		120	0
SURF	12+1/4	9+5/8	40	0	2,200	675	2,200	0
2ND	8+3/4	7	26	0	8,050	755	8,050	1,550
1ST LINER	6+1/8	4+1/2	11.6	7550	12,630	390	12,630	7,800

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

33. Comments Gunnison Energy Corporation attempted to drill the SPU Cockroft 1294 #23-41D H1 (API 05-029-06109-03). The Mancos formation in the curve-building portion of the wellbore became unstable due to being open for an extended period of time, thus preventing further drilling activities. GEC received verbal approval from Mr. Jay Krabacher on October 3, 2012, to Temporarily Abandon the wellbore, to skid the rig 15', and to redrill the horizontal well. We are also submitting an amended 2A, changing the pad to a multi-well pad.

34. Location ID: 417353

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: Patty Johnson

Title: Drlg and Operations Tech Date: 10/15/2012 Email: patty.johnson@oxbow.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: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

Att Doc Num	Name
400333710	FORM 2 SUBMITTED
400334939	WELL LOCATION PLAT
400336420	DIRECTIONAL DATA
400338864	DEVIATED DRILLING PLAN
400339556	LEGAL/LEASE DESCRIPTION
400339558	LEASE MAP
400339571	PLAT
400339577	PLAT

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)

BMP

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

Total: 0 comment(s)