

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:

2544196

Date Received:

11/23/2012

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@GMAIL.COM

7. Well Name: ARTHUR CANYON Well Number: 1-17

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

9. Proposed Total Measured Depth: 5200

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 17 Twp: 35S Rng: 47W Meridian: 6

Latitude: 37.001860 Longitude: -102.730620

Footage at Surface: 660 feet FNL 1980 feet FEL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 4331 13. County: BACA

14. GPS Data:

Date of Measurement: 05/30/2012 PDOP Reading: 1.8 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: 7198 ft

18. Distance to nearest property line: 660 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.)
ATOKA	ATOK	541-1	40	
LANSING-KANSAS CITY	LGKC	541-1	40	
MISSISSIPPIAN	MSSP	541-1	40	
TOPEKA	TOPK	541-1	40	

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):
 LOTS 11,12,13 SEC 17-35S-47W; NE/4, SE/4, SW/4 SEC 7-35S-47W; SEC 6-35S-48W , E/2 SEC 1-35S-48W PLUS OTHERS

25. Distance to Nearest Mineral Lease Line: 660 ft 26. Total Acres in Lease: 1606

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	500	325	500	0
1ST	7+7/8	4+1/2	10.5	0	5,200	200	5,200	3,700

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: 10/20/2012 Email: RLVAUGHN47@GMAIL.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: 12/27/2012

API NUMBER	Permit Number: _____	Expiration Date: <u>12/26/2014</u>
05 009 06675 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.

- 1) Provide 48 hour notice prior to spud via electronic Form 42.
- 2) If production casing is set provide cement coverage to at least 200' above the shallowest completed interval. Verify with CBL.
- 3) If well is a dry hole set the following plugs: 40 sks cement +/- 50' above the Mississippian, 40 sks cement +/- 50' above the Topeka, 40 sks cement across any zone or DST w/ show, 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface csg, cut 4 ft below GL, weld on plate, 5 sks cement each in rat hole and mouse hole.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
2113878	SURFACE AGRMT/SURETY
2113879	WELL LOCATION PLAT
2113880	WELL LOCATION PLAT
2544196	FORM 2 SUBMITTED
2544197	WELL LOCATION PLAT

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	12/27/2012 1:38:35 PM
Permit	Attached corrected plat and SUA.	12/5/2012 2:08:52 PM
Permit	Operator called this afternoon (R. Vaughn is in the field) to discuss RTD and that SUA is forthcoming from Forest Service and will email corrections and SUA upon return to office on 11/29/12.	11/27/2012 2:38:33 PM
Permit	Return to draft: 1. SUA not attached per #22b., federal surface, 2. well location plat SHL on both diagrams (1980' FWL) does not match description indicated on plat, COGIS mapping or submitted form question #10 (1980' FEL).	11/26/2012 2:15:34 PM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)