

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:

400408502

Date Received:

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

20020109

3. Name of Operator: MCELVAIN ENERGY INC

4. COGCC Operator Number: 55575

5. Address: 1050 17TH ST STE 2500

City: DENVER State: CO Zip: 80265-2080

6. Contact Name: Reed Fischer Phone: (303)893-3033 Fax: (303)893-0914

Email: Reed.Fischer@McElvain.com

7. Well Name: Pargin Ranch Well Number: 11

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

9. Proposed Total Measured Depth: 2905

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 36 Twp: 33N Rng: 7W Meridian: N

Latitude: 37.065920 Longitude: -107.560400

Footage at Surface: 680 feet FNL/FSL FNL 2488 feet FEL/FWL FWL

11. Field Name: Ignacio Blanco Field Number: 38300

12. Ground Elevation: 6450 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 03/13/2012 PDOP Reading: 3.0 Instrument Operator's Name: Scott Weibe

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: 2000 ft

18. Distance to nearest property line: 154 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1250 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	112-185	320	N/2

21. Mineral Ownership: Fee State Federal Indian Lease #: I-22-IND-2803

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):

N/2NW/4 Section 36, T33N R7W N.M.P.M.

25. Distance to Nearest Mineral Lease Line: 154 ft 26. Total Acres in Lease: 80

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: Evaporate and 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	400	285	400	0
1ST	7+7/8	5+1/2	17	0	2,910	315	2,910	0

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

33. Comments Please refer to attached Drilling plan. This well is being drilled on Southern Ute Indian lands. An APD is being filed with the Bureau of Land Management. The aforementioned BLM Form 3160-3 and all supporting documentation are attached.

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: Robert D. Joyce

Title: Agent Date: _____ Email: jlr@animas.net

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.

Data retrieval failed for the subreport 'IntPolicy_NTC' located at: \\lntpub\Net\Reports\policy_ntc.rdl. Please check th

Attachment Check List

Att Doc Num	Name
400410832	DRILLING PLAN
400414288	PROPOSED BMPs
400414289	OTHER
400414290	OTHER
400414291	FED. DRILLING PERMIT
400414299	PLAT
400414308	PLAT
400414311	OTHER
400414312	PLAT
400414316	OTHER

Total Attach: 10 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>
Construction	See BLM Twelve Point Summary attached to this application.

Total: 1 comment(s)