

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



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Date Received:

05/01/2013

PluggingBond SuretyID

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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: ELM RIDGE EXPLORATION CO LLC4. COGCC Operator Number: 266255. Address: 12225 GREENVILLE AVE STE 950City: DALLAS State: TX Zip: 75243-93626. Contact Name: Terry Lindeman Phone: (505)632-3476 Fax: (505)632-8151Email: TLindeman@elmridge.net7. Well Name: IGE Well Number: 140

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

9. Proposed Total Measured Depth: 3573

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 17 Twp: 33N Rng: 8W Meridian: NLatitude: 37.099950 Longitude: -107.746510

Footage at Surface: 1025 feet FNL/FSL 1073 feet FEL/FWL FWL

11. Field Name: Ignacio Blanco Field Number: 3830012. Ground Elevation: 6731 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 04/03/2008 PDOP Reading: 3.0 Instrument Operator's Name: Nelson Ross15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1821 FSL 1539 FEL/FWL 1980 FSL 1650 FEL/FWL FWL
 Sec: 17 Twp: 33N Rng: 8W Sec: 17 Twp: 33N Rng: 8W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 1025 ft18. Distance to nearest property line: 113 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2100 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	FRLCD	112-195	320	W/2

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):

Sec. 17: SW/4, S/2NW/4, S/2NE/4, N/2SE/4, Sec. 18: SE/4SE/4, S/2SW/4SE/4, Sec. 19: N/2NE/4, SE/4NE/4, N/2SW/4NE/4 T33N, R8W, N.M.P.M.

25. Distance to Nearest Mineral Lease Line: 1025 ft

26. Total Acres in Lease: 600

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: Closed Loop system to be

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	521	400	500	0
1ST	7+7/8	5+1/2	17	0	3,573	460	3,573	0

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

33. Comments The proposed well will lie entirely on the Elm Ridge IGE 101 well pad. there will be no additional disturbance associated with this new well. The existing IGE 110 well on this location completed to the Fruitland Coal Formation was a vertical completion. There was no multi-well map prepared as the well being applied-for is the only well on this location that is directional and the BHL location is illustrated on both the survey plat and the Drilling Plan.

34. Location ID: 312001

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: 5/1/2013 Email: jlr@animas.net

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: 5/24/2013

API NUMBER

05 067 09895 00

Permit Number: _____ Expiration Date: 5/23/2015

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 of spud to COGCC via form 42
- 2) Set at least 521' of surface casing per Rule 317 (f) cement to surface
- 3) Provide cement coverage of production casing from TD to surface. Verify cement coverage with Cement Bond Log.
- 4) Run and submit Directional Survey from TD to kick-off point
- 5) The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the well bore complies with setback requirements in Commission orders and/or rules prior to producing the well.
- 6) Sample and test two closest water wells within 1/2 mile swath of the directional wellbore.
- 7) Operators are required to obtain a bottom hole pressure utilizing a bottom hole gauge after a minimum 48 hour shut-in period following completion and prior to sales
- 8) Comply with all applicable provisions of Order 112-195

Attachment Check List

Att Doc Num	Name
1857332	SELECTED ITEMS REPORT
2518415	LGD CONSULTATION
2518416	EXCEPTION LOC REQUEST
2518417	EXCEPTION LOC WAIVERS
400405051	FORM 2 SUBMITTED
400411996	WELL LOCATION PLAT
400412027	30 DAY NOTICE LETTER
400412046	SURFACE AGRMT/SURETY
400412064	DEVIATED DRILLING PLAN
400412065	DEVIATED DRILLING PLAN
400412099	DIRECTIONAL DATA
400413320	EXCEPTION LOC WAIVERS
400413322	WAIVERS

Total Attach: 13 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	5/24/2013 2:13:06 PM
Permit	Operator provided the exception location request and waiver.	5/23/2013 10:54:54 AM
Agency	The submitted APD MTD=3673' The Directional Drilling Plan reports a MTD=3573' (TVD at TD=3400') The submitted APD 5 1/2" production casing setting MTD=3400' I have changed the APD to reflect the following: MTD=3573' Production casing setting MTD=3573' with cement to surface I have deepened the surface casing from 500' to 521'.	5/14/2013 7:05:02 PM
Permit	Missing property line exception location request.	5/3/2013 12:08:39 PM
Permit	Returned to draft. BHL does not match the plat.	5/2/2013 10:15:37 AM

Total: 5 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Construction	<p>Narrative The IGE 140 well will be located within the footprint of the existing 110 well pad. No additional disturbance will be necessary.</p> <p>Drainage management:</p> <p>The following drainage management features will be used onsite: Straw wattles will be used during construction operations where appropriate control runoff and to prevent sediment from flowing beyond the perimeter of the previously disturbed area. Revegetation will occur in either the spring or summer.</p> <p>Visual Mitigation & Revegetation:</p> <p>This well will be located on an existing well pad. No pit is planned as a closed loop system will be employed.</p> <p>No disturbance of vegetation outside the existing well pad will occur so no revegetation/reseeding will be necessary.</p> <p>All equipment will be painted with a uniform, non-reflective paint that is darker than the adjacent landscape.</p> <p>Elm Ridge will control all noxious weeds as identified by the La Plata County weed technician and will monitor the site after reclamation and spray for weeds as necessary.</p> <p>Noxious weeds will be controlled onsite by herbicide application, and methods of control will be pursuant to recommendations from the La Plata county weed control technician. Spraying will be applied by a certified professional. A weed management plan has been filed with the County Extension Office. Please refer to this plan for more details.</p>

Total: 1 comment(s)