

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:

05/06/2013

PluggingBond SuretyID

20020109

## 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: 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 2488 feet 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: 5/6/2013                      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: 7/26/2013

<b>API NUMBER</b>
05 067 09896 00

Permit Number: \_\_\_\_\_                      Expiration Date: 7/25/2015

**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.**

No COA's - BLM jurisdiction - Ute minerals and surface ownership

### Attachment Check List

Att Doc Num	Name
2518512	EXCEPTION LOC REQUEST
400408502	FORM 2 SUBMITTED
400410832	DRILLING PLAN
400414288	PROPOSED BMPs
400414289	OTHER
400414290	OTHER
400414291	FED. DRILLING PERMIT
400414299	ACCESS ROAD MAP
400414308	ACCESS ROAD MAP
400414311	PLAT
400414312	WELL LOCATION PLAT
400414316	SURFACE PLAN

Total Attach: 12 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	7/26/2013 1:51:22 PM
Permit	Exception request was recieved and attached. The Southern Ute Tribe gave verbal approval to the COGCC for the extra pad location.	7/25/2013 2:58:37 PM
Permit	Requested exception location request for the extra pad per Order 112-185. And a waiver from the surface owner.	6/24/2013 1:28:04 PM
Permit	Form 2A is not required on indian surface.	6/24/2013 1:28:02 PM
Permit	Waiting on form 2A. Form 2A in draft. 6/6/2013	5/29/2013 6:41:17 AM
Permit	On hold - A form 2A must also be submitted and approved prior to APD permit approval.	5/7/2013 9:16:06 AM
Permit	On hold - Robert D. Joyce is not a registered agent for the company.	5/7/2013 9:15:19 AM

Total: 7 comment(s)

### BMP

<u>Type</u>	<u>Comment</u>
Construction	See BLM Twelve Point Summary attached to this application.

Total: 1 comment(s)