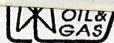




1120 Lincoln Street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109



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MAY 24 2001

Plugging Bond Surety ID#: OIL & GAS COMMISSION

APPLICATION FOR PERMIT TO:

1. TYPE OF WORK

Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COAL BED OTHER: SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONES

Refiling Sidetrack

3. OGCC Operator Number: 63270

4. Name of Operator: Nielson & Associates, Inc.

5. Address: P.O. Box 2850

City: Cody State: WY Zip: 82414

6. Contact Name & Phone

Terry R. Ziehl

Phone: 307-587-2445 x15

Fax: 307-527-4943

7. Well Name: McCallum

Well Number: 155

8. Unit Name (if appl.): South McCallum

Unit No:

9. Proposed Total Depth: 5700'

Complete the Attachment Checklist

Table with columns Op, OGCC and rows for various permit attachments like APD Original, Form 2A, Permit Fee, etc.

WELL LOCATION INFORMATION

10. QtrQtr: NW SW Sec: 8 Twp: 9N Rng: 78W Meridian: 6th PM

Footage From Exterior Section Lines: At Surface: 1700' FSL & 400' FWL

11. Field Name: McCallum South Field Number: 53450

12. Ground Elevation: 8109' 13. County: Jackson

14. If well is: Directional Horizontal (Highly Deviated), submit deviated drilling plan.

Footage from Exterior Section Lines and Sec Twp Rng:

At Top of Production Zone: NW-SW At Bottom Hole:

15. Is location in a high density area (Rule 603b)? Yes No

16. Distance to nearest building, public road, above ground utility or railroad: None within 200'

17. Distance to Nearest Property Line: 500' 18. Distance to nearest well completed in same formation: None Known

LEASE, SPACING, AND POOLING INFORMATION

Table with columns Objective Formation(s), Formation Code, Spacing Order Number, Unit Acreage Assigned to Well, Unit Configuration

20. Mineral Ownership: Fee State Federal Indian Lease #: 21. Surface Ownership: Fee State Federal Indian

Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID #: If No: Surface Owners Agreement Attached or \$25,000 Blanket Surface Bond \$2,000 Surface Bond \$5,000 Surface Bond

23. Describe lease area associated only with the proposed well by QtrQtr, Sec, Twp, Rng (attach separate sheet/map if required):

24. Distance to Nearest Lease Line: 500' 25. Total Acres in Lease: 241.29

DRILLING PLANS AND PROCEDURES

26. Approx. Spud Date: July 1, 2001 NOTE: If air/gas drilling, notify local fire officials. 27. Drilling Contractor Number: TBD Name: Phone #: 28. Is H2S Anticipated: Yes No 29. Will salt sections be encountered during drilling? Yes No 30. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? Yes No 31. If questions 29 or 30 are yes, is this location in a sensitive area (Rule 903)? Yes No 32. Mud disposal: Offsite Onsite Method: Land Farming Land Spreading Disposal Facility Other: Evaporation & Burial

This permit is binding with respect to any inconsistent local governmental permit or land use approval process

NOTE: The use of an earthen pit for recompletion fluids requires a pit permit (Rule 905b).

CASING AND CEMENTING PROGRAM

Table with columns String, Size of Hole, Size of Casing, Weight Per Foot, Setting Depth, Sacks Cement, Cement Bottom, Cement Top

34. BOP Equipment Type: Annular Preventor Double Ram Rotating Head None

35. Comments, if any:

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct, and complete.

Print Name: Terry R. Ziehl Signed: Title: Engineering Technician Date: May 18, 2001

OGCC Approved: Director of COGCC Date: JUN 25 2001 JUN 24 2002

API NUMBER 05-057-06387-00 Permit Number: 019222 Expiration Date:

CONDITIONS OF APPROVAL, IF ANY:

SEE BACK FOR C.O.A.

