

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 750-17-2021
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other CBNG		6. If Indian, Allottee or Tribe Name SOUTHERN UTE
1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No.
2. Name of Operator RED WILLOW PRODUCTION COMPANY		8. Lease Name and Well No. STONE POINT 33-6
3a. Address 14933 Hwy 172, Ignacio, CO 81137		9. API Well No. 7-2
3b. Phone No. (include area code) (970) 563-5100		10. Field and Pool, or Exploratory Ignacio Blanco/604FRLDC
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWNE / 1537 FNL / 1618 FEL / LAT 37.1214272 / LONG -107.5382592 At proposed prod. zone NENE / 660 FNL / 927 FEL / LAT 37.1381871 / LONG -107.5178705		11. Sec., T. R. M. or Blk. and Survey or Area SEC 7/T33N/R6W/NMP
14. Distance in miles and direction from nearest town or post office* 7.2 miles		12. County or Parish LA PLATA
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1497 feet		13. State CO
16. No of acres in lease 3720		17. Spacing Unit dedicated to this well 2080.0
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1200 feet		20. BLM/BIA Bond No. in file IND: RLB0012646
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6755 feet		22. Approximate date work will start* 05/01/2022
		23. Estimated duration 30 days
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

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| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be requested by the BLM. |

25. Signature (Electronic Submission)	Name (Printed/Typed) SHELLY COWDEN / Ph: (970) 563-5100	Date 09/09/2021
Title Surface Specialist		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) Connie Clementson / Ph: (970) 882-6808	Date 01/12/2022
Title Field Office Manger		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

APPROVED WITH CONDITIONS
Approval Date: 01/12/2022

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM connects this information to an evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Connection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Additional Operator Remarks

Location of Well

0. SHL: SWNE / 1537 FNL / 1618 FEL / TWSP: 33N / RANGE: 6W / SECTION: 7 / LAT: 37.1214272 / LONG: -107.5382592 (TVD: 0 feet, MD: 0 feet)
PPP: NWNW / 977 FNL / 255 FWL / TWSP: 33N / RANGE: 6W / SECTION: 8 / LAT: 37.122955 / LONG: -107.5318212 (TVD: 2918 feet, MD: 3894 feet)
BHL: NWNW / 704 FNL / 1005 FWL / TWSP: 33N / RANGE: 6W / SECTION: 8 / LAT: 37.1237066 / LONG: -107.5292419 (TVD: 3291 feet, MD: 4777 feet)
PPP: NWNW / 883 FNL / 515 FWL / TWSP: 33N / RANGE: 6W / SECTION: 8 / LAT: 37.1232155 / LONG: -107.5309274 (TVD: 3047 feet, MD: 4200 feet)
BHL: SESE / 1188 FSL / 200 FEL / TWSP: 33N / RANGE: 6W / SECTION: 4 / LAT: 37.1291904 / LONG: -107.4971985 (TVD: 3226 feet, MD: 14483 feet)
PPP: NWNW / 897 FNL / 476 FWL / TWSP: 33N / RANGE: 6W / SECTION: 8 / LAT: 37.1231772 / LONG: -107.5310588 (TVD: 3028 feet, MD: 4155 feet)
BHL: SENE / 1575 FNL / 200 FEL / TWSP: 33N / RANGE: 6W / SECTION: 4 / LAT: 37.1356278 / LONG: -107.4971899 (TVD: 3230 feet, MD: 15111 feet)
PPP: NWNW / 910 FNL / 438 FWL / TWSP: 33N / RANGE: 6W / SECTION: 8 / LAT: 37.1231389 / LONG: -107.5311903 (TVD: 3008 feet, MD: 4110 feet)
BHL: NENW / 660 FNL / 1770 FWL / TWSP: 33N / RANGE: 6W / SECTION: 4 / LAT: 37.1381627 / LONG: -107.508619 (TVD: 3226 feet, MD: 12707 feet)
PPP: NWNW / 924 FNL / 400 FWL / TWSP: 33N / RANGE: 6W / SECTION: 8 / LAT: 37.1231006 / LONG: -107.5313217 (TVD: 2989 feet, MD: 4065 feet)
BHL: NENE / 660 FNL / 927 FEL / TWSP: 33N / RANGE: 6W / SECTION: 5 / LAT: 37.1381871 / LONG: -107.5178705 (TVD: 3186 feet, MD: 10975 feet)

BLM Point of Contact

Name: ASHLEY C HITCHELL

Title: LIE

Phone: (970) 385-1304

Email: ahitchell@blm.gov

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

CONFIDENTIAL



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Tres Rios Field Office
161 Burnett Drive - Unit 4
Durango, CO 81301-3647



In Reply Refer To:
COA APD ID: 10400078460

RED WILLOW PRODUCTION COMPANY
STONE POINT 33-6 7-2

GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL AND INDIAN LEASES

I. GENERAL

- A. Prior approval by the BLM-Authorized Office (Drilling and Production Section) is required for variance from the approved drilling program and before commencing plugging operations, plug back work casing repair work, corrective cementing operations, or suspending drilling operations indefinitely. Emergency approval may be obtained orally, but such approval is contingent upon filing of a notice of intent (on a Sundry Notice, Form 3160-5) within three business days (original and three copies of Federal leases and an original and four copies on Indian leases). **Any changes to the approved plan or any questions regarding drilling operations should be directed to BLM during regular business hours via Sundry Notice. Emergency program changes after hours should be directed to Joe Killins at (970) 759-8988.**
- B. Notify this office at least 24 hours in advance prior to the following:
 - a. Well Spud
 - b. Running and cementing casing
 - i. Submit a cement evaluation log if cement is not circulated to surface.
 - c. BOP test
 - i. In the event a BLM inspector is not present during the initial BOP test, please provide chart record.
- C. Each well shall have a well sign in legible condition from spud date to final abandonment. The sign should show the operator's name, lease serial number, or unit name, well number, location of the well, and whether lease is Tribal or Allotted, (See 43 CFR 3162.6(b)).
- D. A complete copy of the approved Application for Permit to Drill, along with any conditions of approval, shall be available to authorized personnel at the drill site whenever active drilling operations are under way. All operations will be governed by Onshore Order #2 unless specifically modified prior to operations.

INTERIOR REGION 7 • UPPER COLORADO BASIN

COLORADO, NEW MEXICO, UTAH, WYOMING

Approval Date: 01/12/2022

- E.** From the time drilling operations are initiated and until drilling operations are completed, a member of the drilling crew or the tool pusher shall maintain rig surveillance at all time, unless the well is secured with blowout preventers or cement plugs.
- F.** On directional/horizontal wells submit as drilled directional survey from surface to total depth.

II. Site Specific

III. PHONE NUMBERS

Rodney Brasher	Lead Technician	work: 970-385-1347	cell: 970-799-1244
Alan White	Technician	work: 970-385-1201	cell: 970-317-0329
Nathan Willis	Technician	work: 970-385-1349	cell: 970-749-1734
Bryan Clappe	Technician	work: 970-385-1364	cell: 970-903-9077
Joe Killins	Engineer	work: 970-385-1363	cell: 970-759-8988