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OGCC FORM 2
Rev. 10/86

STATE OF COLORADO
OIL AND GAS CONSERVATION COMMISSION
DEPARTMENT OF NATURAL RESOURCES

JUL - 9 1993

COLO. OIL & GAS CONS. COMM.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR RE-ENTER AND OPERATE

1. TYPE OF WORK: DRILL DEEPEN RE-ENTER
 2. TYPE OF WELL: RECOMPLETE
 3. OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

4. OPERATOR: CFG Energy, Inc.
 ADDRESS: P.O. Box 730
 CITY: Greeley STATE: CO ZIP: 80632
 5. PHONE NO. (303) 339-9330

6. LEASE DESIGNATION AND SERIAL NO: State 88/5180-S
 7. UNIT AGREEMENT NAME: N/A
 8. FARM OR LEASE NAME: Fosston/State
 9. WELL NO: 10-16
 10. FIELD AND POOL, OR WILDCAT: S.W. Fosston
 11. QTR. QTR. SEC. T.R. AND MERIDIAN: NWSE 16-7N-63W, 6th PM
 12. COUNTY: Weld

13. DISTANCE, IF LESS THAN 200 FT. FROM ANY OCCUPIED BLDG. PUBLIC ROAD, ABOVE GROUND UTILITY LINE OR RAILROAD (SHOW FOOTAGES ON SURVEY PLAT): N/A
 14. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. line, if any): 1980
 15. NO. OF ACRES IN LEASE: 640
 16. NO. OF ACRES AND/OR DRILLING UNIT ASSIGNED TO THIS WELL: 40 NW/4 SE/4

17. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2075
 18. PROPOSED DEPTH: 7000
 19. OBJECTIVE FORMATION: Codell-Niobrara

20. ELEVATIONS (Show whether GR or KB): 4840 KB
 21. DRILLING CONTRACTOR: Yetter Well Service, Inc. PHONE NO. (303) 522-2885
 22. APPROX. DATE WORK WILL START: 6/15/93

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2"	8 5/8"	24#	529	360 sx reg- (Per Form 5)
7 7/8"	4 1/2"	11.6 #	8767	130/310 prem - (Per Form 5)

24. IS SURFACE OWNER ALSO THE MINERAL OWNER? YES NO
 If NOT surface bond must be on file or copy of surface agreement must be furnished.
 If irrigated land, surface bond of \$5000 is required.

*DESCRIBE LEASE BY QTR. QTR. SEC., TWSHP., RNG.
 1. See reverse side for Lease data
 2. Work to be performed per outline on Form 4 of same date
 3. Surface lessee notified May 24, 1993
 4. All interests ARE COMMON

PLEASE FILL IN APPROPRIATE CODES:
 OPER. NO. 12460
 DRLR. NO. _____
 FIELD NO. _____
 LEASE NO. 55873
 FORM CD ~~CDL-NBRR~~ NB CD Rule 39.0

25. PRINT Thomas B. Croke, III
 SIGNED Thomas B. Croke TITLE President DATE May 27, 1993

This space for Federal or State Use
 PERMIT NO. 92-338 APPROVAL DATE AUG 26 1993 EXPIRATION DATE _____
 APPROVED BY Susan McCann TITLE Director DATE 8-26-93
 Oil & Gas. Conserv. Comm.

CONDITIONS OF APPROVAL, IF ANY:
 Amended DJ Basin policy Docket No 1-12-20 requires surface owner notice, not less than 7 days or more than 30 prior to operation.

A.P.I. NUMBER
 05-123-15685 -1

DEPARTMENT OF NATURAL RESOURCES
**STATE BOARD OF
LAND COMMISSIONERS**
620 Centennial Bldg., 1313 Sherman St.
DENVER, COLORADO 80203

TYPE: Single Well

BOND for SURFACE RESTORATION
No. 600604187

FOR USE WITH COLORADO OIL AND
GAS LEASE NO. 88/5180-S

WHEREAS, A lease for the purpose of exploration, development and production of oil and gas, or either of them, has been entered into by the State of Colorado through its STATE BOARD OF LAND COMMISSIONERS, as Lessor, and UNION PACIFIC RESOURCES COMPANY

as Lessee, said lease including acreage of which the following described drill site is a portion, located in the County of Weld, State of Colorado:

LOCATION OF DRILL SITE	SECTION	TOWNSHIP	RANGE
C & F ENERGY - Fosston/State 10-16	NWSE 16	7N	R63W

and,

WHEREAS, It is the intention of said lessee and/or its designee to commence drilling operations or plugging and abandonment operations after cessation of production on the above location;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That the aforementioned lessee, and/or its designee, C & F ENERGY, INC., 100 Riverside Drive June Lake, CA 93529 as Principal, and CONTINENTAL CASUALTY COMPANY as Surety, or Bank, are held and firmly bound unto the said lessor in the sum of FIVE THOUSAND and NO/100 Dollars (\$ 5,000.00***), to be paid to the State Board of Land Commissioners, which payment well and truly to be made we bind ourselves, heirs, executors, administrators, and assigns.

Sealed with our seal on this, the 17th day of March, 19 92.

The condition of the above obligation is such that if the said above bounden Principal shall well and truly comply with all the provisions, conditions, covenants, and obligations of the above-numbered Colorado oil and gas lease, which are a part of this bond, with the statutes of the State of Colorado relating to the production of oil and gas; and with the rules and regulations pertaining thereto promulgated from time to time by the Oil and Gas Conservation Commission of Colorado, and if there has been a release from the surface owner (or, in the case of a surface tenant, a release and the approval of the State Board of Land Commissioners field representative) filed with the State Board of Land Commissioners for damages to the land, livestock, growing crops or improvements caused by the operations in the above described lands of said Principal, then the above obligation may be void, otherwise it remains in full force and effect.

RECEIVED
STATE MINERAL DEPARTMENT

By _____
Date _____

PRINCIPAL C & F ENERGY, INC.
By Thomas B. Croke, III
Thomas B. Croke, III, President

SURETY CONTINENTAL CASUALTY COMPANY
By Letter of Credit Bank Attorney-in-Fact

Cash _____
By _____

BOND TERMINATION INFORMATION

Recommended by _____
Effective Date _____

Approved by STATE BOARD OF LAND COMMISSIONERS

President
Register
Engineer

(over)

A.P.L. NUMBER
1-11-1992