

FORM
2
Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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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 ZONE COMMINGLE ZONE

Refiling
Sidetrack

Document Number:
1712924
Plugging Bond Surety

3. Name of Operator: YATES PETROLEUM CORPORATION 4. COGCC Operator Number: 97810

5. Address: 105 SOUTH 4TH ST
City: ARTESIA State: NM Zip: 88210

6. Contact Name: WILL C.RUSSELL Phone: (307)382-4005 Fax: (307)382-5923
Email: WILLR@YATESPETROLEUM.COM

7. Well Name: BIG HOLE GULCH UNIT #3 Well Number: #3

8. Unit Name (if appl): BIG HOLE GULCH Unit Number: COC72464X

9. Proposed Total Measured Depth: 9805

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 8 Twp: 11N Rng: 94W Meridian: 6
Latitude: 40.926172 Longitude: -107.970750

Footage at Surface: 1980 FNL/FSL FSL 1980 FEL/FWL FEL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 6581.5 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 04/29/2009 PDOP Reading: 2.1 Instrument Operator's Name: ANDY FLOYD

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: 1787 ft

18. Distance to nearest property line: 1980 ft 19. Distance to nearest well permitted/completed in the same formation: 1867 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.)
LEWIS	LWIS			
MESAVERDE	MVRD			

21. Mineral Ownership: Fee State Federal Indian Lease #: COC61491

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 Bon \$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):
SECTION 8 T11N R94W ALL, SECTION 9 T11N R94W E1/2, W1/2NW

25. Distance to Nearest Mineral Lease Line: 1980 ft 26. Total Acres in Lease: 1040

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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? Yes No **If 28, 29, or 30 are "Yes" a pit permit may be required.**

31. Mud disposal: Offsite Onsite

Method: Land Farming Land Spreading Disposal Facility Other: RESERVE PIT

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	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
CONDUCTOR	24	16		60	5	60	0
SURF	11	8+5/8	24	1,100	400	1,100	0
1ST	7+7/8	4+1/2	11.6	9,805	975	9,805	0

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

33. Comments _____

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: WILL C. RUSSELL

Title: REGULATORY Date: 10/1/2009 Email: WILLR@YATESPETROLEUM.

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: *David S. Neslin* Director of COGCC Date: 11/3/2009

Permit Number: _____ Expiration Date: 11/2/2010

API NUMBER
05 081 07597 00

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.

24-HOUR SPUD NOTICE REQUIRED. E-MAIL david.Andrews@state.co.us CEMENT ON PRODUCTION CASING MUST BE AT LEAST 200' ABOVE TOP OF FT. UNION AND COMPLY WITH RULES 209 AND 317.I. SEGREGATE OIL, GAS, AND FRESH-WATER-BEARING ZONES AND PROTECT COAL SEAMS. VERIFY TOP WITH CBL. RESERVE PIT MUST BE LINED. THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 000 FEET DEEP.

Attachment Check List

Att Doc Num	Name	Doc Description
1712924	APD ORIGINAL	LF@2155186 1712924
1712925	WELL LOCATION PLAT	LF@2155187 1712925
1712926	TOPO MAP	LF@2155188 1712926
1712927	LEASE MAP	LF@2155189 1712927
1712928	FED. DRILLING PERMIT	LF@2155190 1712928
1712929	DRILLING PLAN	LF@2155191 1712929
1712930	SURFACE PLAN	LF@2155192 1712930
400007788	FORM 2 SUBMITTED	LF@2158591 400007788

Total Attach: 8 Files