

FORM
2Rev
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



DE ET OE ES

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 ☐

Document Number:

2586562

Plugging Bond Surety

3. Name of Operator: RED MESA HOLDINGS/O&G LLC

4. COGCC Operator Number: 10254

5. Address: 5619 DTC PARKWAY - STE 800

City: GREENWOOD State: CO Zip: 80111
VILLAGE

6. Contact Name: RICH LARSON Phone: (970)588-3302 Fax: (970)588-3652

Email: rlarson@redmesa1.com

7. Well Name: GREER Well Number: 34-3

8. Unit Name (if appl): Unit Number:

9. Proposed Total Measured Depth: 3600

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 34 Twp: 33N Rng: 12W Meridian: N

Latitude: 37.059380 Longitude: -108.144330

Footage at Surface: 1970 feet FNL/FSL FSL 621 feet FEL/FWL FWL

11. Field Name: RED MESA Field Number: 72890

12. Ground Elevation: 6518 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 06/09/2011 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: 1840 ft

18. Distance to nearest property line: 637 ft 19. Distance to nearest well permitted/completed in the same formation: 759 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.)
DAKOTA	DKTA			

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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 ☒ No23b. 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):

SECTION 33: W/2SE/4, NE/4SE/4; SECTION 34: SW/4NW/4, NW/4SW/4, NE/4SE/4; SECTION 35: SW/4NW/4, T33N, R12W, NMPM.

25. Distance to Nearest Mineral Lease Line: 621 ft

26. Total Acres in Lease: 280

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: _____

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	11	8+5/8	24		368	150	368	0
1ST	7+7/8	5+1/2	17		3,600	400	3,600	0

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

33. Comments NO CONDUCTOR CASING WAIVERS HAVE BEEN SENT OUT TO THE MINERAL OWNERS FOR THE FERGUSON #1 F-4, FERGUSON #2 F-11 AND THE KROGER FERGUSON #3 K-3 BECAUSE THEY ARE WITHIN 1200' OF THE PROPOSED WELL. WAIVERS WILL BE FORWARDED AS SOON AS RECEIVED.

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: TIM G. KELLEY

Title: AGENT

Date: 6/16/2011

Email: TIM@FINNEYLAND.COM

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. Nesline

Director of COGCC

Date: 8/7/2011

API NUMBER

05 067 09864 00

Permit Number: _____ Expiration Date: 8/6/2013

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.

1) Provide 48 hour notice of spud to COGCC District Engineer-Mark Weems 970-259-4587 or mark.weems@state.co.us

2) Provide cement coverage of production casing from TD to surface. Verify cement coverage with Cement Bond Log.

Attachment Check List

Att Doc Num	Name
1792214	WAIVERS
1792242	WAIVERS
1857192	SELECTED ITEMS REPORT
2586562	APD APPROVED
2586563	WELL LOCATION PLAT
2586564	TOPO MAP
2586565	SURFACE AGRMT/SURETY
2586566	EXCEPTION LOC REQUEST
2586567	CORRESPONDENCE
400192937	APD ORIGINAL

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Agency	Exception location request and waivers are attached.	3/7/2011 9:35:09 PM
Permit	Request for waiver is due to the Red Mesa Ferguson F-4 only 756', this well has been SI since Mar. 2009. Waivers have been supplied from adjoining mineral owners. BY	3/4/2011 9:36:26 AM
Permit	Haven't received the minerals owner signed waiver for exception location, less than 1200' from the nearest completed or permitted well in same formation. Emailed Tim Kelley for the signed waivers. BY	3/1/2011 8:34:34 AM
Permit	Completeness check was passed in error. Questions sent to operator: 1) No Plugging Bond Surety ID – according to the COGCC website, Bond 2008-0005 appears to be the appropriate one for this form. 2) Question 36 under Operator Comments, the response to “is this application part of submitted Oil and Gas Location Assessment” probably should be “yes” as a 2A was also submitted. NKP	6/22/2011 1:32:16 PM

Total: 4 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)