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JAN 23 2008

Plugging Bond Surety ID#

COGCC

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL
OIL GAS COALBED OTHER: _____
SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refilling
Sidetrack

3. Name of Operator Presco, Inc 4. COGCC Operator Number: 100465
5. Address: 10200 Grogan's Mill Road, Suite 520
City: The Woodlands State: Texas Zip: 77380
6. Contact Name: Richard Ellis Phone: 303-771-8551 Fax: 303-771-9514
7. Well Name: Franklin Well Number: 124 12-4
8. Unit Name (if appl): Unit Number:
9. Proposed Total Measured Depth: 1,700 feet
10. QtrQtr: SW NW Sec: 4 Twp: 28S Rng: 67W Meridian: 6
Latitude: 37.644216 deg N Longitude: 104.902439 deg W
Footage At Surface: 1651.02 FNL 329.71 FWL
11. Field Name: Wildcat Field Number: 99999
12. Ground Elevation: 6741 feet ASL 13. County: Huerfano
14. GPS Data:
Date of Measurement: 18-Oct-07 PDOP Reading: <= 6 Instrument Operator's Name: Gary Terry

Attachment Checklist

	OP	COGCC
APD Orig & 1 Copy	x	
Form 2A	x	✓
Well location plat	x	
Topo map	x	
Mineral lease map		
Surface agrmt/Surety	x	✓
30 Day notice letter		
Deviated Drilling Plan Exception Location Request		
Exception Loc Waivers		
H2S Contingency Plan		
Federal Drilling Permit		

15. If well is: Directional Horizontal (highly deviated), submit deviated drilling plan. Bottomhole Sec Twp Rng: _____
Footage At Top of Prod Zone: _____ At Bottom Hole: _____
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: _____
18. Distance to Nearest Property Line: 241 feet 19. Distance to nearest well permitted/completed in the same formation: 6.5 miles

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.)
Raton-Vermejo	RT-VJ	none	40	6W-NW

21. Mineral Ownership: Fee State Federal Indian
22. Surface Ownership: Fee State Federal Indian
23. Is the Surface Owner also the Mineral Owner? Yes No
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 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):
T28S, R67W: sec 4 - S2NE, S2NW, W2SW, E2SW, W2SE; sec 5 - S2NE, SE; sec 3 - S2NW, NESW; T27S, R67W: sec 32: SE
25. Distance to Nearest Mineral Lease Line: 241 feet 26. Total Acres in Lease: 920 gross acres

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:
NOTE: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b.) If air/gas drilling, notify local fire officials.

String	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
	12 1/4"	9 5/8"	36	350	350	350	Surface
	8 3/4"	4 1/2"	15.5	1700	150	1700	500'

32. BOP Equipment Type: Annular Preventor Double Ram Rotating Head None
33. Comments

34. Initial Rule 306 Consultation took place on (date) 10/10/2007, was waived, or is not required. Provide supporting documentation if consultation has been waived or if good faith effort did not result in consultation.
PERMIT SUBMITTED TO COGCC PRIOR TO COMPLIANCE WITH RULE 306 CONSULTATION SHALL BE RETURNED UNAPPROVED.
I hereby certify that a complete permit package has been sent to the applicable Local Government Designee(s), and all statements made in this form are, to the best of my knowledge, true, correct, and complete.
Signed: Richard K. Ellis Print Name: Richard K. Ellis
Title: Agent Date: Jan 20, 2008 Email: rkellis@qwest.net

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: _____ Director of COGCC Date: _____

Permit Number: 20080379 Expiration Date: _____
API NUMBER _____ CONDITIONS OF APPROVAL, IF ANY: _____

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124
12A-4
Phillips 42-5
Bojars 41-5