

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



DE	ET	OE	ES
----	----	----	----

Document Number:

400033177

Plugging Bond Surety

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

3. Name of Operator: BLACK HILLS EXPLORATION AND PRODUCTION INC 4. COGCC Operator Number: 95715

5. Address: 1515 WYNKOOP STE 500
 City: DENVER State: CO Zip: 80202

6. Contact Name: Jessica Donahue Phone: (720)210-1333 Fax: (303)566-3344
 Email: Jessica.Donahue@blackhillscorp.com

7. Well Name: Ute Well Number: 34-41

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

9. Proposed Total Measured Depth: 4339

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 34 Twp: 33n Rng: 8w Meridian: N
 Latitude: 37.058485 Longitude: -107.708798

Footage at Surface: 1866 FNL/FSL FSL 1438 FEL/FWL FWL

11. Field Name: Ignacio Blanco Field Number: 38300

12. Ground Elevation: 7326 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 07/11/2006 PDOP Reading: 1.6 Instrument Operator's Name: Roy Rush

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 852 FSL 800 FWL 800 Bottom Hole: FNL/FSL 710 FSL 710 FWL 710
 Sec: 34 Twp: 33N Rng: 8W Sec: 34 Twp: 33N Rng: 8W

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: 5038 ft

18. Distance to nearest property line: 1206 ft 19. Distance to nearest well permitted/completed in the same formation: 1301 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.)
Fruitland Coal	FRLDC	112-191	320	S/2

21. Mineral Ownership: Fee State Federal Indian Lease #: 14-20-151-49

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):
T33N R8W Sect. 21 SW/4SE/4, SW/4SW/4; Sect. 23 N/2SE/4, E/2SW/4; Sect. 25 E/2, E/2W/2; Sect. 27 W/2SW/4, SW/4NW/2; Sect. 26 ALL; Sect. 33 E/2; Sect. 34 ALL; Sect. 35 S/2NW/4, SW/4NE/4; Sect. 36 S/2SW/4

25. Distance to Nearest Mineral Lease Line: 710 ft 26. Total Acres in Lease: 2640

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.

Casing Type	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
SURF	12+1/4	9+5/8	36#	400	140	400	0
1ST	8+3/4	7	23#	1,746	710	1,746	0
1ST LINER	6+1/4	4+1/2	10.5#	4,339			

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: Jessica Donahue

Title: Regulatory Technician Date: _____ Email: Jessica.Donahue@blackhillscor

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: _____

API NUMBER 05 067 09707 00	Permit Number: _____	Expiration Date: _____
--------------------------------------	----------------------	------------------------

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.

Attachment Check List

Att Doc Num	Name	Doc Description
400042157	FED. DRILLING PERMIT	Ute 34-41 BLM APD.pdf
400042159	DEVIATED DRILLING PLAN	Ute 34-41 Directional plan.pdf
400042161	DRILLING PLAN	Ute 34-41 Drlg plan.pdf
400042209	WELL LOCATION PLAT	Ute 34-41 Well Location Plat.pdf

Total Attach: 4 Files