

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:

400042294

Plugging Bond Surety

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: 33-23

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

9. Proposed Total Measured Depth: 4296

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 33 Twp: 33N Rng: 8W Meridian: N

Latitude: 37.064690 Longitude: -107.717340

Footage at Surface: 1141 FNL/FSL FNL 1055 FEL/FWL FEL

11. Field Name: Ignacio Blanco Field Number: 38300

12. Ground Elevation: 7294 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 06/28/2006 PDOP Reading: 1.3 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 1810 FNL 1833 FEL 1932 FEL 1975 FEL
Sec: 33 Twp: 33N Rng: 8W Sec: 33 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: 5452 ft

18. Distance to nearest property line: 1141 ft 19. Distance to nearest well permitted/completed in the same formation: 1092 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	E/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. 28 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#	1,691	710	1,691	0
1ST LINER	6+1/4	4+1/2	10.5#	4,231			

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

33. Comments NO CONDUCTOR WILL BE USED.

34. Location ID: 326576

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: 2/22/2010 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: David S. Neslin Director of COGCC Date: 3/12/2010

API NUMBER

05 067 09741 00

Permit Number: _____ Expiration Date: 3/11/2011

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
1828815	DRILLING PLAN	LF@2430588 1828815
400042303	FED. DRILLING PERMIT	LF@2428678 400042303
400042304	DEVIATED DRILLING PLAN	LF@2428679 400042304
400042305	DRILLING PLAN	LF@2428680 400042305
400042306	WELL LOCATION PLAT	LF@2428681 400042306
400042328	FORM 2 SUBMITTED	LF@2428682 400042328

Total Attach: 6 Files