

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 STRATIGRAPHIC TES
SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONE

Refiling
Sidetrack

Document Number:
1783646
Plugging Bond Surety
19930057

3. Name of Operator: RED WILLOW PRODUCTION CO 4. COGCC Operator Number: 81295

5. Address: P O BOX 369
City: IGNACIO State: CO Zip: 81137

6. Contact Name: JAMES ABBEY Phone: (970)563-0145 Fax: (970)563-0398
Email: jim@gmail.com

7. Well Name: STRAT TEST 32-3 Well Number: 1

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

9. Proposed Total Measured Depth: 2075

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 18 Twp: 32N Rng: 3W Meridian: N
Latitude: 37.016290 Longitude: -107.219820

Footage at Surface: 2070 FNL/FSL FSL 1765 FEL/FWL FWL

11. Field Name: IGNACIO BLANCO Field Number: 38300

12. Ground Elevation: 6210 13. County: ARCHULETA

14. GPS Data:

Date of Measurement: 04/01/2009 PDOP Reading: 3.0 Instrument Operator's Name: SCOTT WIEBE

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: 350 ft

18. Distance to nearest property line: 600 ft 19. Distance to nearest well permitted/completed in the same formation: 11 mi

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	112-210	1280	S17&18

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

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):
SEE ATTACHED MAP

25. Distance to Nearest Mineral Lease Line: 520 ft 26. Total Acres in Lease: 720

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	8+5/8	24	450	250	450	0
1ST	7+7/8			2,075			400

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

33. Comments THIS APD IS FOR A STRATIGRAPHIC TEST. IT WILL BE PLUGGED AND ABANDONED IMMEDIATELY AFTER DRILLING. PER THE FORM 2A CLOSED LOOP SYSTEM WILL BE USED

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: Y Print Name: JAMES ABBEY

Title: PROJECT MGR Date: 6/17/2009 Email: JIM@GMAIL.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. Neslin Director of COGCC Date: 7/13/2009

API NUMBER
05 007 06282 00

Permit Number: 20092805 Expiration Date: 7/12/2011

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.

None – Red Willow operating within the South Ute reservation boundaries COGCC requests 48 hour spud notice to COGCC field inspector Leslie Melton (970) 375-6419 or les.melton@state.co.us COGCC recommends that the well be plugged abandoned as follows: Plug #1 – 100' cmt @ top of Fruitland coal Plug #2 – 100' cmt @ top of Kirtland shale Plug #3 – 100' cmt (1100'-1000') Plug #4 – 100' cmt to straddle surf csg shoe ½ above and ½ below Plug #5 – 15' cmt @ surf Remove well head and install PA marker Reclaim well site as per 1000 series rules

Attachment Check List

Att Doc Num	Name	Doc Description
1783647	WELL LOCATION PLAT	
1783648	TOPO MAP	LF@2093311 1783648
1783649	MINERAL LEASE MAP	LF@2092808 1783649
1783650	SURF. AGREEMENT/SURETY	
1783651	LOCATION PICTURES	LF@2093310 1783651
1783652	CORRESPONDENCE	LF@2092811 1783652
1783653	OTHER	LF@2092810 1783653
1783796	MINERAL LEASE MAP	
400019028	APD ORIG & 1 COPY	LF@2092806 400019028

Total Attach: 9 Files