

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 |
|----|----|----|----|

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:

1808445

Plugging Bond Surety

20010158

3. Name of Operator: BP AMERICA PRODUCTION COMPANY 4. COGCC Operator Number: 10000

5. Address: 501 WESTLAKE PARK BLVD
City: HOUSTON State: TX Zip: 77079

6. Contact Name: SUSAN FOLK Phone: (970)828-2503 Fax: (970)828-2555
Email: SUSAN.FOLK@BP.COM

7. Well Name: PHILLIPS GU A Well Number: 3R

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

9. Proposed Total Measured Depth: 3605

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 33 Twp: 34N Rng: 9W Meridian: M
Latitude: 37.145550 Longitude: -107.826590

Footage at Surface: 1921 FNL/FSL FSL 1398 FEL/FWL FEL

11. Field Name: IGNACIO BLANCO Field Number: 38300

12. Ground Elevation: 6697 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 07/21/2009 PDOP Reading: 1.8 Instrument Operator's Name: BILL MITCHELL

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

Footage at Top of Prod Zone: FNL/FSL 2957 FSL 1492 FEL 2015 FEL 1521 FEL
Sec: 33 Twp: 34N Rng: 9W Sec: 33 Twp: 34N Rng: 9W

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: 3603 ft

18. Distance to nearest property line: 647 ft 19. Distance to nearest well permitted/completed in the same formation: 1213 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 | 112-190 | 320 | E2 |

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):
T34N, R9W, NMPM, SEC. 33: NE/4, N/2SE/4, SW/4SE/4, SE/4SW/4 T33, R9W, NMPM – SEC. 4: LOTS 2 & 3, SW/4NE/4, SE/4NW/4

25. Distance to Nearest Mineral Lease Line: 1121 ft 26. Total Acres in Lease: 480

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: RECYCLE/REUSE

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 | 20 | 467 | 350 | 467 | 0 |
| 1ST | 7+7/8 | 5+1/2 | 15.5 | 3,605 | 463 | 3,605 | 0 |

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

33. Comments WAIVER TO THE 30 DAY NOTICE (RULE 305) AND WAIVER TO THE CONSULTATION (RULE 306) CAN BE FOUND IN ATTACHED SURFACE USE AGREEMENT. NO CONDUCTOR CASING WILL BE USED. WELLPAD ALREADY BUILT. NO NEW DISTURBANCE REQUIRED. SEE ADDITIONAL COMMENTS.

34. Location ID: 307028

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: SUSAN FOLK

Title: PERMITS Date: 10/2/2009 Email: SUSAN.FOLK@BP.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: 11/24/2009

API NUMBER

05 067 09799 00

Permit Number: _____ Expiration Date: 11/23/2011

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.

1) Provide 48 hour notice of spud to COGCC field inspector Leslie Melton (970) 375-6419 or les.melton@state.co.us 2) Set at least 467' of surface casing per Rule 317 (f) (h); cement to surface 3) Provide cement coverage of production casing from TD to surface. Verify cement coverage with Cement Bond Log. 4) Run and submit Directional Survey from TD to kick-off point 5) The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the well bore complies with setback requirements in Commission orders and/or rules prior to producing the well. 6) Sample and test two closest water wells within 1/4 mile swath of the directional wellbore intercepting Fruitland Coal (horizontal dimension - top to bottom of pay). 7) Operators are required to obtain a bottom hole pressure utilizing a bottom hole gauge after a minimum 48 hour shut-in period following completion and prior to sales 8) Comply with all applicable provisions of Order 112-190

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------------|----------------------|
| 1808446 | LOCATION PICTURES | LF@2155492 1808446 |
| 1808447 | WELL LOCATION PLAT | LF@2342656 1808447 |
| 1808448 | ACCESS ROAD MAP | LF@2155490 1808448 |
| 1808449 | LEASE MAP | LF@2342658 1808449 |
| 1808450 | SURFACE AGRMT/SURETY | LF@2342660 1808450 |
| 1808451 | DEVIATED DRILLING PLAN | LF@2342663 1808451 |
| 1857041 | SELECTED ITEMS REPORT | LF@2159803 1857041 |
| 2000385 | CORRESPONDENCE | LF@2342665 2000385 |
| 400020095 | APD ORIGINAL | LF@2342667 400020095 |

Total Attach: 9 Files