

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 ☐

Refilling ☐
Sidetrack ☐

Document Number:

1714992

Plugging Bond Surety

20080005

3. Name of Operator: RED MESA HOLDINGS/O&G LLC

4. COGCC Operator Number: 10254

5. Address: 5619 DTC PARKWAY - STE 800

City: GREENWOOD State: CO Zip: 80111
VILLAGE

6. Contact Name: RICH LARSON Phone: (303)957-2038 Fax: (303)957-2090
Email: rlarson@madisoncap.com

7. Well Name: TURNER Well Number: 4

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

9. Proposed Total Measured Depth: 3500

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 27 Twp: 33N Rng: 12W Meridian: N

Latitude: 37.080440 Longitude: -108.129840

Footage at Surface: 784 FNL/FSL 571 FEL/FWL FEL

11. Field Name: RED MESA Field Number: 72890

12. Ground Elevation: 6567 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 03/11/2009 PDOP Reading: 1.8 Instrument Operator's Name: GENE REININGER

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: 262 ft

18. Distance to nearest property line: 571 ft 19. Distance to nearest well permitted/completed in the same formation: 1400 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.)
DAKOTA	DKTA			

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):
E/2NE/4 SEC. 27, N/2NW/4 SEC. 26, T-33-N, R-12-W

25. Distance to Nearest Mineral Lease Line: 784 ft 26. Total Acres in Lease: 160

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	39	312	70	312	0
1ST	8+1/4	7	20	1,500	220	1,500	0
2ND	6+1/4	4+1/2	15.5	3,500	300	3,500	0

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

33. Comments NO CONDUCTOR CASING FOR THIS WELL.

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: TIM G. KELLEY PH#970/385

Title: AGENT Date: 6/8/2009 Email: TIM@FINNEYLAND.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: 7/24/2009

API NUMBER

05 067 09773 00

Permit Number: 20092636 Expiration Date: 7/23/2011

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.

CONDITIONS OF PERMIT APPROVAL: RED MESA HOLDINGS TURNER #4 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 312' OF SURFACE CASING PER RULE 317 (F) (H), CEMENT TO SURFACE* 3) PROVIDE CMT COVERAGE OF INTERMEDIATE CSG FROM TD TO SURFACE. RUN AND SUBMIT TEMPERATURE SURVEY IF T/CMT DROP IS INDICATED. 4) MINIMUM OF 200 FEET OF CMT ABOVE THE SHALLOWEST HYDROCARBON BEARING ZONE BEHIND THE PRODUCTION CASING. RUN SUBMIT CBL *ROGER HERRERA WATER WELL TD=150'; WATER 70'-100'; ELEV=6405'; NESE 27 33N 12W 5) SEE ATTACHED NOTICE CONCERNING OPERATING REQUIREMENTS FOR WILDLIFE PROTECTION

Attachment Check List

Att Doc Num	Name	Doc Description
1783382	WELL LOCATION PLAT	
1783383	COPY OF TOPO MAP	
1783384	SURF. AGREEMENT/SURETY	
400002668	APD ORIG & 1 COPY	LF@2072449 1714992

Total Attach: 4 Files