

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:
400029101
Plugging Bond Surety
20060007

3. Name of Operator: BLACK HILLS PLATEAU PRODUCTION LLC 4. COGCC Operator Number: 10150

5. Address: 1500 WYNKOOP ST 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: Horseshoe Canyon Well Number: 3-22

8. Unit Name (if appl): HorseshoeCanyon Unit Number: COC047635
X

9. Proposed Total Measured Depth: 8564

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 22 Twp: 9s Rng: 97w Meridian: 6
Latitude: 39.258590 Longitude: -108.212570

Footage at Surface: 2466 FNL/FSL FSL 418 FEL/FWL FWL

11. Field Name: Shire Gulch Field Number: 77450

12. Ground Elevation: 5402 13. County: MESA

14. GPS Data:

Date of Measurement: 01/19/2007 PDOP Reading: 3.1 Instrument Operator's Name: Brock Slaugh

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

Footage at Top of Prod Zone: FNL/FSL 1168 FSL 1099 FWL FWL Bottom Hole: FNL/FSL 1168 FSL 1099 FEL/FWL FWL
Sec: 22 Twp: 9s Rng: 97w Sec: 22 Twp: 9s Rng: 97w

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: 3768 ft

18. Distance to nearest property line: 418 ft 19. Distance to nearest well permitted/completed in the same formation: 1382 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.)
Cedar Mountain	CDMTN			
Dakota	DKTA			
Mesaverde	MVRD			

21. Mineral Ownership: Fee State Federal Indian Lease #: COC012644
A

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):
T9S R97W Sect 19: NE4/NE4, S2/NE4, SE4/SW4, SE4, Lots 1-4; Sect 21: N2, N2/S2, SE4/SE4; Sect 22: W2

25. Distance to Nearest Mineral Lease Line: 1168 ft 26. Total Acres in Lease: 1308

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
CONDUCTOR	20	16	94#	40		40	0
SURF	12+1/4	9+5/8	36#	3,255	3,015	3,225	0
1ST	7+7/8	5+1/2	17#	8,564	490	8,564	2,275

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

33. Comments _____

34. Location ID: 311759

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: 1/15/2010 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: 3/6/2010

API NUMBER 05 077 09400 00	Permit Number: _____	Expiration Date: <u>3/4/2012</u>
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)24 HOUR SPUD NOTICE REQUIRED. E-MAIL: Shaun.Kellerby@state.co.us 2)CEMENT TOP VERIFICATION BY CBL REQUIRED. 3)THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 364 FEET DEEP.

Attachment Check List

Att Doc Num	Name	Doc Description
400029152	FED. DRILLING PERMIT	LF@2219287 400029152
400029153	WELL LOCATION PLAT	LF@2219288 400029153
400029154	DRILLING PLAN	LF@2219290 400029154
400029156	DEVIATED DRILLING PLAN	LF@2219293 400029156
400029157	DEVIATED DRILLING PLAN	LF@2219296 400029157
400029250	FORM 2 SUBMITTED	LF@2219299 400029250

Total Attach: 6 Files