

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:
400018344
Plugging Bond Surety
20070091

3. Name of Operator: UNIOIL 4. COGCC Operator Number: 90950

5. Address: 1775 SHERMAN ST STE 3000
City: DENVER State: CO Zip: 80203

6. Contact Name: Sarah Garrett Phone: (303)860-5803 Fax: (303)860-5838
Email: sgarrett@petd.com

7. Well Name: Binder Well Number: 32-10DU

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

9. Proposed Total Measured Depth: 7451

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 10 Twp: 4N Rng: 67W Meridian: 6

Latitude: 40.327480 Longitude: -104.877190

Footage at Surface: 2419 FNL/FSL FNL 2624 FEL/FWL FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4780 13. County: WELD

14. GPS Data:

Date of Measurement: 10/07/2008 PDOP Reading: 6.0 Instrument Operator's Name: Thomas G Carlson PLS 24657

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 _____
1981 FNL 1983 FEL 1981 FNL 1983 FEL
Sec: 10 Twp: 4N Rng: 67W Sec: 10 Twp: 4N Rng: 67W

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: 214 ft

18. Distance to nearest property line: 214 ft 19. Distance to nearest well permitted/completed in the same formation: 1099 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 | | 320 | N2 |
| J Sand | JSND | | 320 | N2 |
| Niobrara Codell | NBCD | 407-87 | 80 | W2NE4 |
| NIOBRARA-CODELL | NB-CD | 407-87 | 80 | W2NE4 |
| Sussex Shannon | SXSN | N/A | 80 | W2NE4 |
| SUSSEX-SHANNON | SX-SN | | 80 | W2NE4 |

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):
 Township 4 North, Range 67 West, 6th P.M., Section 10:N2

25. Distance to Nearest Mineral Lease Line: 661 ft 26. Total Acres in Lease: 320

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 | 400 | 240 | 400 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 10.5 | 7,451 | 180 | 7,451 | 3,000 |
| S.C. 1.1 | 7+7/8 | 4+1/2 | 10.5 | 7,451 | 180 | 7,451 | 3,000 |

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

33. Comments Conductor casing will not be used. Well is on the same pad as the following: Binder 10OU, 10SDU, 22-10DU, 10CDU, and 10NDU.

34. Location ID: 415249

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: Sarah Garrett

Title: Landman Date: 1/11/2010 Email: sgarrett@petd.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. Nash Director of COGCC Date: 2/11/2010

API NUMBER: **05 123 31148 00** Permit Number: _____ Expiration Date: 2/10/2012

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.

Location is outside the drilling window and it is more than 50 feet from an existing well; exceptions granted

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1) Provide 24 hour notice of MIRU to Bo Brown at 970-397-4124 or e-mail at bo.brown@state.co.us. 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Shannon to 200' above Sussex. Verify coverage with cement bond log. 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------------|----------------------|
| 400018377 | 30 DAY NOTICE LETTER | LF@2215752 400018377 |
| 400018383 | PLAT | LF@2215753 400018383 |
| 400018384 | TOPO MAP | LF@2215754 400018384 |
| 400018385 | DEVIATED DRILLING PLAN | LF@2215755 400018385 |
| 400018893 | EXCEPTION LOC REQUEST | LF@2215756 400018893 |
| 400027718 | EXCEPTION LOC WAIVERS | LF@2215757 400027718 |
| 400027719 | SURFACE AGRMT/SURETY | LF@2215758 400027719 |
| 400027726 | FORM 2 SUBMITTED | LF@2215759 400027726 |

Total Attach: 8 Files