

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:
400047423
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: (970)588-3302 Fax: (970)588-3562
Email: rlarson@redmesa1.com

7. Well Name: Harris Well Number: 5S

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

9. Proposed Total Measured Depth: 1200

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 22 Twp: 33N Rng: 12W Meridian: N
Latitude: 37.084280 Longitude: -108.144230

Footage at Surface: 664 FNL/FSL FSL 681 FEL/FWL FWL

11. Field Name: Red Mesa Field Number: 72890

12. Ground Elevation: 6566 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 01/12/2010 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: 640

18. Distance to nearest property line: 630 19. Distance to nearest well permitted/completed in the same formation: 1580

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.)
Mesa Verde	MVRD	N/A		N/A

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):
SE/4SE/4 Sec. 21, SW/4SW/4 Sec. 22, NW/4NW/4 Sec. 27, E/2NE/4 Sec. 28, T-33-N, R-12-W

25. Distance to Nearest Mineral Lease Line: 633 26. Total Acres in Lease: 200

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: Air drilling

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
1ST	11+0/0	8+5/8	24#	300	150	300	0
2ND	7+7/8	5+1/2	17#	1,200	200	1,200	0

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

33. Comments No conductor casing.

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: _____ Print Name: Tim G. Kelley

Title: Agent Date: 4/12/2010 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. Nashin Director of COGCC Date: 5/10/2010

API NUMBER 05 067 09815 00	Permit Number: _____	Expiration Date: <u>5/9/2012</u>
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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) Run and submit cement bond log on 5 ½" O.D. production casing.

Attachment Check List

Att Doc Num	Name	Doc Description
1857124	SELECTED ITEMS REPORT	LF@2453368 1857124
400047423	FORM 2 SUBMITTED	LF@2449956 400047423
400048467	WELL LOCATION PLAT	LF@2449957 400048467
400050726	SURFACE AGRMT/SURETY	LF@2449958 400050726

Total Attach: 4 Files

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