

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 OIL
SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONE

Refiling
Sidetrack

Document Number:
400079110
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: Richard Larson Phone: (970)588-3302 Fax: (970)588-3562
Email: rlarson@redmesa1.com

7. Well Name: F #1 Well Number: 34-1

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

9. Proposed Total Measured Depth: 3600

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 34 Twp: 33N Rng: 12W Meridian: N
Latitude: 37.059550 Longitude: -108.130340

Footage at Surface: 2035 FNL/FSL FSL 604 FEL/FWL FEL

11. Field Name: RED MESA Field Number: 72890

12. Ground Elevation: 6534 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 01/14/2010 PDOP Reading: 3.0 Instrument Operator's Name: SCOTT WEIBE

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: 1250 ft

18. Distance to nearest property line: 604 ft 19. Distance to nearest well permitted/completed in the same formation: 1200 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	NA		NA
Gallup	GLLP	NA		NA

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):
NE/4SE/4 Sec. 34, SW/4NW/4 Sec. 35, T-33-N, R-12-W

25. Distance to Nearest Mineral Lease Line: 604 ft 26. Total Acres in Lease: 80

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
SURF	11+0/0	8+3/4	24	300	150	300	0
1ST	7+3/4	4+1/2	15.5	3,600	600	3,600	150

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: 7/23/2010 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: 9/8/2010

API NUMBER
05 067 09828 00

Permit Number: _____ Expiration Date: 9/7/2012

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.

- 1) Provide 48 hour notice of spud to COGCC field inspector Leslie Melton (970) 375-6419 or les.melton@state.co.us
- 2) Provide cement coverage behind production casing from TD to at least 200 feet above the shallowest hydrocarbon bearing zone. Run and submit cement bond log.

Attachment Check List

Att Doc Num	Name	Doc Description
1857150	SELECTED ITEMS REPORT	LF@2522904 1857150
400079110	FORM 2 SUBMITTED	LF@2512555 400079110
400079369	WELL LOCATION PLAT	LF@2512556 400079369
400079370	SURFACE AGRMT/SURETY	LF@2512557 400079370
400079375	TOPO MAP	LF@2512558 400079375

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	PERMITTING PASSED	9/7/2010 12:38:53 PM

Total: 1 comment(s)

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