

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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Document Number:

400081223

Plugging Bond Surety

20010158

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

3. Name of Operator: BP AMERICA PRODUCTION COMPANY 4. COGCC Operator Number: 10000

5. Address: 501 WESTLAKE PARK BLVD
City: HOUSTON State: TX Zip: 77079

6. Contact Name: Susan Folk Phone: (970)335-3828 Fax: (970)335-3837
Email: susan.folk@bp.com

7. Well Name: Clary GU Well Number: 3

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

9. Proposed Total Measured Depth: 2935

WELL LOCATION INFORMATION

10. QtrQtr: Lot 4 Sec: 18 Twp: 34N Rng: 9W Meridian: M
Latitude: 37.186360 Longitude: -107.872220

Footage at Surface: 905 FNL/FSL FSL 1104 FEL/FWL FWL

11. Field Name: Ignacio Blanco Field Number: 38300

12. Ground Elevation: 6337.4 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 02/18/2010 PDOP Reading: 2.4 Instrument Operator's Name: Bill Mitchell

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 _____
1497 FSL 872 FWL 1859 FSL 730 FWL
Sec: 18 Twp: 34N Rng: 9W Sec: 18 Twp: 34N Rng: 9W

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: 584 ft

18. Distance to nearest property line: 470 ft 19. Distance to nearest well permitted/completed in the same formation: 960 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.)
Fruitland Coal	FRLDC	112-190	320	S/2

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):
 NW/4SW/4 Sec. 18,T34N, R9W N.M.P.M.

25. Distance to Nearest Mineral Lease Line: 172 ft 26. Total Acres in Lease: 40

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: Recycle/Reuse

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	20	647	137	647	0
1ST	7+7/8	5+1/2	15.5	2,935	298	2,935	0

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

33. Comments Waiver to the 30 day notice (Rule 305) and waiver to the consultation (Rule 306) can be found in the attached SUA. No conductor casing will be used.

34. Location ID: 325768

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: Susan Folk

Title: Infill Permit Coordinator Date: 8/2/2010 Email: susan.folk@bp.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: 9/17/2010

API NUMBER
05 067 09832 00

Permit Number: _____ Expiration Date: 9/16/2012

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) Set at least 647' of surface casing per Rule 317 (f) (h); cement to surface
- 3) Provide cement coverage of production casing from TD to surface. Verify cement coverage with Cement Bond Log.
- 4) Run and submit Directional Survey from TD to kick-off point
- 5) The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the well bore complies with setback requirements in Commission orders and/or rules prior to producing the well.
- 6) Sample and test two closest water wells within 1/4 mile swath of the directional wellbore intercepting Fruitland Coal (horizontal dimension - top to bottom of pay).
- 7) Operators are required to obtain a bottom hole pressure utilizing a bottom hole gauge after a minimum 48 hour shut-in period following completion and prior to sales
- 8) Comply with all applicable provisions of Order 112-190

Attachment Check List

Att Doc Num	Name	Doc Description
1857152	SELECTED ITEMS REPORT	LF@2523189 1857152
1857153	NTO	LF@2523277 1857153
400081223	FORM 2 SUBMITTED	LF@2516914 400081223
400081252	OTHER	LF@2516915 400081252
400081253	DOW CONSULTATION	LF@2516916 400081253
400081256	WELL LOCATION PLAT	LF@2516917 400081256
400081257	OTHER	LF@2516918 400081257
400081258	TOPO MAP	LF@2516919 400081258
400081259	MINERAL LEASE MAP	LF@2516920 400081259
400081260	SURFACE AGRMT/SURETY	LF@2516921 400081260
400081262	DRILLING PLAN	LF@2516922 400081262

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	PERMITTING PASSED	9/13/2010 8:34:39 AM
Permit	Change Qtr/Qtr to Lot 4 per operator	9/13/2010 8:22:25 AM

Total: 2 comment(s)

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