

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:

2586325

Plugging Bond Surety

20090057

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: RED WILLOW PRODUCTION COMPANY

4. COGCC Operator Number: 81295

5. Address: P O BOX 369

City: IGNACIO State: CO Zip: 81137

6. Contact Name: ANGELA SIMONS Phone: (970)563-5166 Fax: (970)563-5161

Email: ASIMONS@RWPC.US

7. Well Name: SOUTE FC 33-6 Well Number: 6-4

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

9. Proposed Total Measured Depth: 3525

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 6 Twp: 33N Rng: 6W Meridian: N

Latitude: 37.136160 Longitude: -107.545560

Footage at Surface: 1440 FNL/FSL FNL 1500 FEL/FWL FWL

11. Field Name: IGNACIO BLANCO Field Number: 38300

12. Ground Elevation: 6673 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 08/13/2010 PDOP Reading: 0.0 Instrument Operator's Name: AS

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

Footage at Top of Prod Zone: FNL/FSL 2591 FSL 1872 FWL 2400 FSL 1930 FWL
Sec: 6 Twp: 33N Rng: 6W Sec: 6 Twp: 33N Rng: 6W

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: 800 ft

18. Distance to nearest property line: 150 ft 19. Distance to nearest well permitted/completed in the same formation: 1335 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	W/2

21. Mineral Ownership: Fee State Federal Indian Lease #: FEE

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):
 SEC 6 LOTS 3,4,5 (N/2NW; SW/4 NW/4) 33-7 SEC 1 LOT 1 (NE/4 NE/4)

25. Distance to Nearest Mineral Lease Line: 233 ft 26. Total Acres in Lease: 158

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: BURIAL & EVAPORATION

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	500	350	500	0
1ST	7+7/8	5+1/2	17	3,525	675	3,525	0

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

33. Comments NO CONDUCTOR CASING WILL BE USED. NO CHANGES HAVE BEEN MADE TO ORIGINAL APD

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: J. DUSTY MARS

Title: DRILLING & PRODUCTION MGR Date: 8/13/2010 Email: ASIMONS@RWPC.US

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: 11/3/2010

API NUMBER
 05 067 09785 00

Permit Number: _____ Expiration Date: 11/2/2011

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 BLM
- 2) Provide cement coverage of production casing from TD to surface. Verify cement coverage with Cement Bond Log.
- 3) Run and submit Directional Survey from TD to kick-off point
- 4) 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.
- 5) Sample and test two closest water wells within 1/2 mile swath of the directional wellbore intercepting Fruitland Coal (includes pathway from top to bottom of pay).
- 6) 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
- 7) Comply with all applicable provisions of Order 112-190

Attachment Check List

Att Doc Num	Name	Doc Description
1857160	SELECTED ITEMS REPORT	LF@2541576 1857160
2586325	APD ORIGINAL	LF@2525514 2586325

Total Attach: 2 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	PERMITTING PASSED- JLV	11/3/2010 11:51:52 AM
Permit	Change distance to nearest property line per Operator and distance to nearest Bldg-OK. JLV.	11/3/2010 11:51:42 AM
Permit	Called Operator to discuss changing distance to nearest Bldg. JLV	10/28/2010 9:47:32 AM
Permit	The well is located 25 feet from a property line; called Red Willow once again to request an Exception Request Letter to resolve the property line setbacks.	10/22/2010 4:02:52 PM
Permit	The well is located 25 feet from a property line; called Red Willow to request they resolve the property line setbacks.	9/29/2010 3:12:15 PM
Permit	Hold waiting on Land info. from Operator	9/27/2010 1:56:39 PM
Permit	added plugging bond info notified operator	8/19/2010 3:01:45 PM

Total: 7 comment(s)

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