

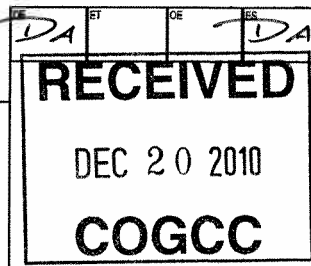


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State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303)894-2100 Fax: (303)894-2109



SUNDRY NOTICE

Submit original plus one copy. This form is to be used for general, technical and environmental sundry information. For proposed or completed operations, describe in full on Technical Information Page (Page 2 of this form.) Identify well or other facility by API Number or by OGCC Facility ID. Operator shall send an informational copy of all sundry notices for wells located in High Density Areas to the Local Government Designee (Rule 603b.)

1. OGCC Operator Number: 100122	4. Contact Name: Neil Allen	Complete the Attachment Checklist OP OGCC
2. Name of Operator: Gunnison Energy Corporation	Phone: (303) 296-4222	
3. Address: 1801 Broadway Suite 1200 City: Denver State: CO Zip: 80202	Fax: 303-296-4555	
5. API Number 05- 029-06107-00	OGCC Facility ID Number	Survey Plat
6. Well/Facility Name: IPU Hotchkiss 1291	7. Well/Facility Number #13-24D	Directional Survey
8. Location (Qtr/Qtr, Sec, Twp, Rng, Meridian): SESW Section 13-T12S-R91W		Surface Eqpm Diagram
9. County: Delta	10. Field Name: 99999	Technical Info Page <input checked="" type="checkbox"/>
11. Federal, Indian or State Lease Number: -		Other

General Notice

<input type="checkbox"/> CHANGE OF LOCATION: Attach New Survey Plat (a change of surface qtr/qtr is substantive and requires a new permit)																					
Change of Surface Footage from Exterior Section Lines:	<table border="1"><tr><td></td><td>FNL/FSL</td><td></td><td>FEL/FWL</td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td></tr></table>		FNL/FSL		FEL/FWL																
	FNL/FSL		FEL/FWL																		
Change of Surface Footage to Exterior Section Lines:																					
Change of Bottomhole Footage from Exterior Section Lines:																					
Change of Bottomhole Footage to Exterior Section Lines:																					
Bottomhole location Qtr/Qtr, Sec, Twp, Rng, Mer																					
Latitude	Distance to nearest property line																				
Longitude	Distance to nearest bldg, public rd, utility or RR																				
Ground Elevation	Distance to nearest lease line																				
	Is location in a High Density Area (rule 603b)? Yes/No																				
	Distance to nearest well same formation																				
	Surface owner consultation date:																				
GPS DATA:																					
Date of Measurement PDOP Reading Instrument Operator's Name																					
<input type="checkbox"/> CHANGE SPACING UNIT	<input type="checkbox"/> Remove from surface bond																				
Formation Formation Code Spacing order number Unit Acreage Unit configuration	Signed surface use agreement attached																				
<input type="checkbox"/> CHANGE OF OPERATOR (prior to drilling):	<input type="checkbox"/> CHANGE WELL NAME																				
Effective Date:	From:																				
Plugging Bond: <input type="checkbox"/> Blanket <input type="checkbox"/> Individual	To:																				
	Effective Date:																				
<input type="checkbox"/> ABANDONED LOCATION:	<input type="checkbox"/> NOTICE OF CONTINUED SHUT IN STATUS																				
Was location ever built? <input type="checkbox"/> Yes <input type="checkbox"/> No	Date well shut in or temporarily abandoned:																				
Is site ready for inspection? <input type="checkbox"/> Yes <input type="checkbox"/> No	Has Production Equipment been removed from site? <input type="checkbox"/> Yes <input type="checkbox"/> No																				
Date Ready for Inspection:	MIT required if shut in longer than two years. Date of last MIT																				
<input type="checkbox"/> SPUD DATE:	<input type="checkbox"/> REQUEST FOR CONFIDENTIAL STATUS (6 mos from date casing set)																				
<input type="checkbox"/> SUBSEQUENT REPORT OF STAGE, SQUEEZE OR REMEDIAL CEMENT WORK																					
*submit cbl and cement job summaries																					
Method used	Cementing tool setting/perf depth																				
Cement volume	Cement top																				
Cement bottom	Date																				
<input type="checkbox"/> RECLAMATION: Attach technical page describing final reclamation procedures per Rule 1004.																					
Final reclamation will commence on approximately																					
<input type="checkbox"/> Final reclamation is completed and site is ready for inspection.																					

Technical Engineering/Environmental Notice

<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Report of Work Done	
Approximate Start Date: December 20, 2010	Date Work Completed:	
Details of work must be described in full on Technical Information Page (Page 2 must be submitted.)		
<input type="checkbox"/> Intent to Recomplete (submit form 2)	<input type="checkbox"/> Request to Vent or Flare	<input type="checkbox"/> E&P Waste Disposal
<input type="checkbox"/> Change Drilling Plans	<input type="checkbox"/> Repair Well	<input type="checkbox"/> Beneficial Reuse of E&P Waste
<input type="checkbox"/> Gross Interval Changed?	<input type="checkbox"/> Rule 502 variance requested	<input type="checkbox"/> Status Update/Change of Remediation Plans
<input checked="" type="checkbox"/> Casing/Cementing Program Change	<input checked="" type="checkbox"/> Other: Run 7" csg and SI	for Spills and Releases

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Signed: Patty Johnson Date: Dec 20, 2010 Email: patty.johnson@oxbow.com
Print Name: Patty Johnson Title: Drilling and Operations Tech

COGCC Approved: David And Title: PE II Date: 12/22/2010

CONDITIONS OF APPROVAL, IF ANY:

TECHNICAL INFORMATION PAGE



FOR OGCC USE ONLY

RECEIVED

DEC 20 2010

COGCC

1. OGCC Operator Number: 100122 API Number: 05-029-06107-00
2. Name of Operator: Gunnison Energy Corporation OGCC Facility ID #
3. Well/Facility Name: IPU Hotchkiss 1291 Well/Facility Number: #13-24D
4. Location (QtrQtr, Sec, Twp, Rng, Meridian): SE SW Section 13-T12S-R91W

This form is to be completed whenever a Sundry Notice is submitted requiring detailed report of work to be performed or completed. This form shall be transmitted within 30 days of work completed as a "subsequent" report and must accompany Form 4, page 1.

5. DESCRIBE PROPOSED OR COMPLETED OPERATIONS

DA
Gunnison received verbal approval from David Andrews on 12/20/10 to suspend operations on the subject well after setting 7" casing at a depth of 6200' +/- . The drilling of the well to the planned depth of 8520' +/- will be completed in the spring of 2011. The well is being suspended due to the onset of severe winter weather conditions.

The subject well drilled rather conventionally using LSND mud until we lost circulation at 4404'. Intermediate casing was previously set at 4236'. We tried 2 cement plugs with no success. The well was drilled with significant lost circulation to 5054' using LCM in the mud. The circulation system was switched to aerated mud. Drilling continued with aerated mud to 6456' with occasional loss of circulation. At 6456' the hole packed off around our drilling assembly and the drill string became stuck. After backing off at 5236' and partial fish recovery the well was plugged back for a sidetrack.

The well was sidetracked at 4390' and drilled with mud to 4460'. After losing circulation at 4460' the circulation system was converted to aerated mud and drilled to 6233'. At 6233' the circulation medium was converted to air/mist. The well was drilled to 6265' and became stuck.

The drill string was eventually all recovered.

Winter weather has become severe and Gunnison Energy Corporation (GEC) decided the best option was to condition the sidetrack wellbore and run 7" casing.

GEC will winter Rig 101 on location and finish the well when weather and surface conditions permit in the spring of 2011.