

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		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:25%;">DE</td> <td style="width:25%;">ET</td> <td style="width:25%;">OE</td> <td style="width:25%;">ES</td> </tr> </table>	DE	ET	OE	ES
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APPLICATION FOR PERMIT TO:			Document Number: 400119636 Plugging Bond Surety 20010048				
1. <input type="checkbox"/> Drill, <input type="checkbox"/> Deepen, <input checked="" type="checkbox"/> Re-enter , <input type="checkbox"/> Recomplete and Operate							
2. TYPE OF WELL OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> COMMINGLE ZONE <input type="checkbox"/>			Refiling <input type="checkbox"/> Sidetrack <input type="checkbox"/>				
3. Name of Operator: <u>CHOLLA PRODUCTION LLC</u>		4. COGCC Operator Number: <u>16830</u>					
5. Address: <u>7851 S ELATI ST STE 201</u> City: <u>LITTLETON</u> State: <u>CO</u> Zip: <u>80120</u>							
6. Contact Name: <u>EMILY HUNDLEY-GOFF</u> Phone: <u>(303)6234565</u> Fax: <u>(303)6235062</u> Email: <u>cholla_production@msn.com</u>							
7. Well Name: <u>BALDWIN</u>		Well Number: <u>1-18</u>					
8. Unit Name (if appl): _____		Unit Number: _____					
9. Proposed Total Measured Depth: <u>5200</u>							
WELL LOCATION INFORMATION							
10. QtrQtr: <u>SW NE</u> Sec: <u>18</u> Twp: <u>32S</u> Rng: <u>44W</u> Meridian: <u>6</u> Latitude: <u>37.259860</u> Longitude: <u>-102.411080</u>							
Footage at Surface: <u>2099</u> feet FNL/FSL <u>FNL</u> <u>1970</u> feet FEL/FWL <u>FEL</u>							
11. Field Name: <u>NA</u>		Field Number: _____					
12. Ground Elevation: <u>4120</u>		13. County: <u>BACA</u>					
14. GPS Data: Date of Measurement: <u>01/12/2011</u> PDOP Reading: <u>2.3</u> Instrument Operator's Name: <u>Keith Westfall</u>							
15. If well is <input type="checkbox"/> Directional <input type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
17. Distance to the nearest building, public road, above ground utility or railroad: <u>1980 ft</u>							
18. Distance to nearest property line: <u>1980 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>15 mi</u>							
LEASE, SPACING AND POOLING INFORMATION							
Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well				
MORROW	MRRW		320				
			Unit Configuration (N/2, SE/4, etc.)				
			EAST HALF				

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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):
ENTIRE EAST HALF OF SECTION 18-T32S-R44W
25. Distance to Nearest Mineral Lease Line: 660 ft 26. Total Acres in Lease: 320

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 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? Yes No
31. Mud disposal: Offsite Onsite **If 28, 29, or 30 are "Yes" a pit permit may be required.**
Method: Land Farming Land Spreading Disposal Facility Other: _____
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	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	15+1/2	13+3/8	38	0	126	150	126	
SURF	12+1/4	8+5/8	24	660	1,662	250	1,662	660
1ST	7+7/8	4+1/2	11.6	0	5,200	160	5,200	4,700
	12+1/4	8+5/8	Stage Tool	0	660	300	660	0

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None
33. Comments MIRU workover rig, pump and power swivel. Pickup 12 1/4" bit and DC's. Drill out cmt plugs to top of 8 5/8" csg @ approximately 660'. Dress ID & OD of csg top with mills. Depending on size of 8 5/8" top (coupling or body) either skirt over OD or stab into ID with new 8 5/8" pipe. Pump cmt via 8 5/8" csg thru pre-perforated holes located @ junction of old and new pipe and circ cmt to surface. WOC and drill out cmt inside 8 5/8" hole and drill well to TD with drilling rig.

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: EMILY HUNDLEY-GOFF
Title: OWNER/MANAGER Date: 3/9/2011 Email: cholla_production@msn.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: 4/28/2011
Permit Number: _____ Expiration Date: 4/27/2013

API NUMBER

05 009 06249 00

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 24 hour notice of MIRU to Craig Quint at 719-767-8939 or e-mail at craig.quint@state.co.us

Attachment Check List

Att Doc Num	Name
2111094	SURFACE CASING CHECK
400119636	FORM 2 SUBMITTED
400119648	PROPOSED BMPs
400141893	WELL LOCATION PLAT

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Engineer	3/14/11 - Requested Sundry and WBD from operator 'cholla_production@msn.com' per Rule 303.b. 3/15/11 - Received Sundry and WBD.	3/15/2011 8:41:35 AM
Permit	Opr corrected. sf	3/14/2011 4:24:07 PM
Permit	Back to draft for plugging bond and plat. s f	3/10/2011 8:27:11 AM

Total: 3 comment(s)

BMP

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	<ul style="list-style-type: none">· Keep the well site location, the road, and the pipeline easement safe and free of noxious weeds, litter and debris.· If the Owner has livestock on the lands where the drillsite is located, an electric fence will be installed around the drilling pits to keep the livestock away from the pits.· Spray for noxious weeds and implement dust control, as needed.· Cholla Production, LLC will not permit the release or discharge of any toxic or hazardous chemicals or wastes on Owner's land.· Remove only the minimum amount of vegetation necessary for the construction of roads and facilities.· Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation.· No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.· All surface facilities not subject to safety requirements shall be painted to blend with the natural color of the landscape.· Any necessary tank battery facilities will be located outside the area of the center pivot.· A low-profile pumping unit will be used so as to not interfere with any portion of the center pivot structure.· Utilize only such area around each producing well as is reasonably necessary.· Any fences or pumping units placed around each producing well will not interfere with the wheel tracks of the center pivot.· Restore the remainder of the well site location to its original condition within a reasonable time after the completion of operations.· Construct and maintain gates where any roads used by Cholla Production, LLC cross through fences on the leased premises, and keep gates locked when not in use.· Implement and maintain BMP's to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation.· All surface restoration shall be accomplished to the satisfaction of Owner.· All reseeding on non-crop lands shall be done with grasses consistent with a Rocky Mountain native mix and during planting period suggested by Owner.· On crop lands, manure and certified weed-free hay will be worked into the topsoil during reclamation of the well site location and roads.· Co-locate gas and water gathering lines, and mitigate any erosion problems that arise due to the construction of any pipeline(s).· Final reclamation shall be completed to the reasonable satisfaction of the Owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards (BLM/COGCC).

Total: 1 comment(s)