

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		DE ET OE ES
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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

Document Number:
 400150835
 Plugging Bond Surety

3. Name of Operator: SOUTHWESTERN ENERGY VENTURES COMPANY LLC 4. COGCC Operator Number: 10328

5. Address: PO BOX 1056
 City: BAYFIELD State: CO Zip: 81122

6. Contact Name: Will Vaughan Phone: (970)946-2494 Fax: ()
 Email: will@pinnacleland.biz

7. Well Name: Lee Well Number: 2

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

9. Proposed Total Measured Depth: 2500

WELL LOCATION INFORMATION

10. QtrQtr: lot 15 Sec: 6 Twp: 9S Rng: 104W Meridian: 6
 Latitude: 39.313900 Longitude: -109.036160

Footage at Surface: 1315 feet FNL 1060 feet FEL

11. Field Name: Bar X Field Number: 5470

12. Ground Elevation: 5102 13. County: MESA

14. GPS Data:

Date of Measurement: 11/03/2010 PDOP Reading: 1.4 Instrument Operator's Name: David Alexander Johnson

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: 3970 ft

18. Distance to nearest property line: 4200 ft 19. Distance to nearest well permitted/completed in the same formation: 5280 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.)
Morrison	MRSN			

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

21. Mineral Ownership: Fee State Federal Indian Lease #: COC65156
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 Bond \$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):
See attached mineral lease description.
25. Distance to Nearest Mineral Lease Line: 1060 ft 26. Total Acres in Lease: 2205

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
SURF	9+7/8	7	20	0	340	130	340	0
1ST	6+1/4	4+1/2	10.5	340	3,000	110	3,000	2,017

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None
33. Comments It is the intent of the operator to cement the production casing to 500' above the Dakota formation. No conductor string will be used.

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: Will Vaughan
Title: Agent Date: 4/25/2011 Email: will@pinnacleland.biz

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: 6/8/2011

API NUMBER: **05 077 10162 00** Permit Number: _____ Expiration Date: 6/7/2013

CONDITIONS OF APPROVAL, IF ANY: _____

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

2) THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1 MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 000 FEET DEEP.

Attachment Check List

Att Doc Num	Name
400150835	FORM 2 SUBMITTED
400151094	WELL LOCATION PLAT
400151106	LEGAL/LEASE DESCRIPTION
400157556	FED. DRILLING PERMIT

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Added field name and number, commingle as no, QQ as lot 15 for clarity Removed unit name	4/29/2011 11:28:26 AM
Permit	Back to draft for plugging bond removal, answer to #31, related forms tab filled in. sf	4/26/2011 11:01:27 AM

Total: 2 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)