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Document Number:
 400192540
 PluggingBond SuretyID

APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL
 OIL GAS COALBED OTHER _____
 SINGLE ZONE MULTIPLE COMMINGLE

Refiling
 Sidetrack

3. Name of Operator: GENESIS GAS & OIL LLC 4. COGCC Operator Number: 10132
 5. Address: 1701 WALNUT STREET - 4TH FL
 City: KANSAS CITY State: MO Zip: 64108
 6. Contact Name: Robert Behner Phone: (816)222-7500 Fax: (816)222-7501
 Email: bbehner@genesisco.com
 7. Well Name: Fletcher Gulch Well Number: 4-42
 8. Unit Name (if appl): Fletcher Gulch Unit Number: COC68958X
 9. Proposed Total Measured Depth: 1830

WELL LOCATION INFORMATION

10. QtrQtr: 18 Sec: 4 Twp: 1N Rng: 100W Meridian: 6
 Latitude: 40.080906 Longitude: -108.623321
 Footage at Surface: 1197 feet FNL/FSL 2330 feet FEL/FWL
 11. Field Name: Fletcher Gulch Field Number: 24062
 12. Ground Elevation: 6089.9 13. County: RIO BLANCO

14. GPS Data:
 Date of Measurement: 08/09/2008 PDOP Reading: 2.4 Instrument Operator's Name: Chris Hamilton

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: 2576 ft
 18. Distance to nearest property line: 2942 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1276 ft

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.)
Williams Fork Coals	WMFKC			

21. Mineral Ownership: Fee State Federal Indian Lease #: COC63322
 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 description from LR2000

25. Distance to Nearest Mineral Lease Line: 2780 ft 26. Total Acres in Lease: 2241

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	12+1/4	8+5/8	24	0	500	200	500	0
1ST	7+7/8	5+1/2	15.5	0	1,830	210	1,830	0

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

33. Comments There are no improvements within 400' of subject location, other than the access and the Lease road

34. Location ID: 413918

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: Sheryl M. Little-Myers

Title: Agent Date: 8/4/2011 Email: Sheryl@MyersEnergyServices.

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: 10/12/2011

API NUMBER
05 103 11551 00

Permit Number: _____ Expiration Date: 10/11/2013

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.
- (2) RESERVE PIT MUST BE LINED.
- (3) OPERATOR MUST ENSURE 110 PERCENT SECONDARY CONTAINMENT FOR ANY VOLUME OF FLUIDS CONTAINED AT WELL-SITE DURING DRILLING AND COMPLETION OPERATIONS. IF FLUIDS ARE CONVEYED VIA PIPELINE, OPERATOR MUST IMPLEMENT BEST-MANAGEMENT-PRACTICES TO CONTAIN ANY UNINTENTIONAL RELEASE OF FLUIDS.
- (4) THE MOISTURE CONTENT OF ANY DRILL CUTTINGS IN A CUTTINGS PIT, TRENCH, OR PILE SHALL BE AS LOW AS PRACTICABLE TO PREVENT ACCUMULATION OF LIQUIDS GREATER THAN DE-MINIMIS AMOUNTS. AT THE TIME OF CLOSURE, THE DRILL CUTTINGS MUST ALSO MEET THE APPLICABLE STANDARDS OF TABLE 910-1.
- (5) NO PORTION OF ANY PIT THAT WILL BE USED TO HOLD LIQUIDS SHALL BE CONSTRUCTED ON FILL MATERIAL, UNLESS THE PIT AND FILL SLOPE ARE DESIGNED AND CERTIFIED BY A PROFESSIONAL ENGINEER, SUBJECT TO REVIEW AND APPROVAL BY THE DIRECTOR PRIOR TO CONSTRUCTION OF THE PIT. THE CONSTRUCTION AND LINING OF THE PIT SHALL BE SUPERVISED BY A PROFESSIONAL ENGINEER OR THEIR AGENT. THE ENTIRE BASE OF THE PIT MUST BE IN CUT.
- (6) THE 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 00 FEET DEEP.

Attachment Check List

Att Doc Num	Name
400192540	FORM 2 SUBMITTED
400192611	OTHER
400192613	LEGAL/LEASE DESCRIPTION
400192615	ACCESS ROAD MAP
400192617	ACCESS ROAD MAP
400192633	LOCATION DRAWING
400192634	LOCATION PICTURES
400192635	HYDROLOGY MAP
400193146	WELL LOCATION PLAT

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No public comments Comprehensive Final Review status -- Passed	10/6/2011 3:07:54 PM
Permit	Changed distance to lease line to 2,780' to match original filing Received the 5 statements from Shari Myers 1)The pad for the Fletcher Gulch 4-42 has been built 2)Pits will not be necessary. Genesis uses a closed loop system when drilling 3)No additional disturbance or surface area will be required 4)No variance will be required 5)The only restriction related to wildlife is winter construction/drilling (Lease stipulation). This is not in an area that is a sensitive wildlife habitat.	10/6/2011 9:45:54 AM
Permit	Contacted Bob Boehner about missing information. He will have Sheryl M. Little-Myers contact me about the deficiencies.	10/4/2011 1:54:21 PM
Permit	Added commingle as no and field as Fletcher Gulch Missing 5 refile statements	8/31/2011 9:39:49 AM
Permit	Returned to draft. Missing answers to questions 17, 18, 19	3/5/2011 8:10:31 AM

Total: 5 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Final Reclamation	The access road and pad will be restored to the approximate original contours.
Interim Reclamation	Cut and fill slopes not actively used during the production phase will be reduced, and the surface will be roughened on the contour. Salvaged topsoil from the drill site will be evenly redistributed over cut and fill surfaces.
Storm Water/Erosion Control	There is a Storm Water Management Plan in place. It contains specifics for avoiding erosion on this Project, from beginning construction to Final Abandonment.
Construction	Appropriate measures will be taken to avoid soil erosion, possibly including wattles, ERB's, rock check dams, and furrowing.

Total: 4 comment(s)