

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

Document Number:
400193354

PluggingBond SuretyID
20010158

3. Name of Operator: BP AMERICA PRODUCTION COMPANY 4. COGCC Operator Number: 10000

5. Address: 501 WESTLAKE PARK BLVD
City: HOUSTON State: TX Zip: 77079

6. Contact Name: Patti Campbell Phone: (970)335-3828 Fax: (970)335-3837
Email: patricia.campbell@bp.com

7. Well Name: Parry GU E Well Number: 4

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

9. Proposed Total Measured Depth: 3377

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 27 Twp: 33N Rng: 7W Meridian: N
Latitude: 37.077320 Longitude: -107.595300

Footage at Surface: _____ feet FNL/FSL _____ feet FEL/FWL _____ feet
1826 FNL 2365 FEL

11. Field Name: Ignacio Blanco Field Number: 38300

12. Ground Elevation: 6636.5 13. County: LA PLATA

14. GPS Data:
Date of Measurement: 11/12/2010 PDOP Reading: 1.9 Instrument Operator's Name: Bill Mitchell

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

736 FNL 1849 FEL 707 FNL 1835 FEL

Sec: 27 Twp: 33N Rng: 7W Sec: 27 Twp: 33N Rng: 7W

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: 251 ft

18. Distance to nearest property line: 268 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1615 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.)
Fruitland Coal	FRLDC	112-190	320	E/2

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 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):

W2SE4 OF SEC. 22, S2SE4, SE4 OF SEC. 27, NW4 OF SEC. 26, N2NE4 OF SEC. 34, NW4, W2SW4 OF SEC. 26, T33N R7W

25. Distance to Nearest Mineral Lease Line: 509 ft 26. Total Acres in Lease: 680

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: Recycle/Resue

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	20	0	860	624	860	0
1ST	7+7/8	5+1/2	15.5	0	3,377	410	3,377	0

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

33. Comments Please note the waiver to the 30 day notice (Rule 305) and waiver to the consultation (Rule 306) can be found in the attached Surface Use Agreement. A separate DOW letter has not been sent, the DOW notification is covered by the BP San Juan Basin Colorado Wildlife Mitigation Plan (WMP) dated March 2011. No conductor casing 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: Patricia L. Campbell

Title: Regulatory Analyst Date: 8/17/2011 Email: patricia.campbell@bp.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: 10/19/2011

API NUMBER
05 067 09870 00

Permit Number: _____ Expiration Date: 10/18/2013

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) Provide 48 hour notice of spud to COGCC field inspector Steve Labowskie at 970-259-0945 or steve.labowskie@state.co.us
- 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.
- 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
- 8) The depth of the deepest water well within a mile radius is 275' (elev=6520')

Attachment Check List

Att Doc Num	Name
1792318	LEASE MAP
1792346	CORRESPONDENCE
1857195	SELECTED ITEMS REPORT
400193354	FORM 2 SUBMITTED
400196901	OTHER
400196903	WELL LOCATION PLAT
400196905	OTHER
400196906	TOPO MAP
400196922	MINERAL LEASE MAP
400196925	SURFACE AGRMT/SURETY
400196927	DEVIATED DRILLING PLAN

Total Attach: 11 Files

General Comments

User Group	Comment	Comment Date
Permit	Final review passed 10/19/2011 NKP	10/19/2011 1:18:37 PM
Permit	Received authorization to change the distance to nearest lease line to 509' and the distance to nearest well in the same formation to 1615'. BY	10/19/2011 6:22:07 AM
Permit	Requested that BP review the distance to nearest lease line after submitting they submitted the correct lease map for the Parry GU E 4 APD. Also, the distance to the nearest permitted/completed well in the same formation should be 1615' to the Parry GU E 2. BY	10/18/2011 9:06:37 AM
Permit	New lease map and lease description shows nearest lease line to be 509' but Spacing order 112-190 has 660' from unit boundary and no interior lease line distance restriction.	9/29/2011 2:32:42 PM
Permit	Issue: the Well location plat that was furnished states that "there are no improvements within 200 feet of the location". First: the 200 feet was changed to the requirement of 400 feet about 2 years ago (which should show any features within 400' from the edge of disturbance). Second: on the construction layout plan in the form 2A it shows "Williams wellhead and Existing Williams Equipment" within just feet of the "Temporary Use Area".	9/9/2011 1:49:19 PM
Permit	Returned to draft. Missing plugging bond.	8/18/2011 6:43:24 AM

Total: 6 comment(s)

BMP

Type	Comment

Total: 0 comment(s)