

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:
400192052

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: 2

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

9. Proposed Total Measured Depth: 3557

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 27 Twp: 33N Rng: 7W Meridian: N
Latitude: 37.077220 Longitude: -107.595280

Footage at Surface: 1865 feet FNL 2361 feet FEL

11. Field Name: Ignacio Blanco Field Number: 38300

12. Ground Elevation: 6636 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

1931 FNL 802 FEL 1932 FNL 769 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: 239 ft

18. Distance to nearest property line: 273 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):
 S2 NE/4, SE/4, 27, T33N, R7W

25. Distance to Nearest Mineral Lease Line: 608 ft 26. Total Acres in Lease: 240

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/Reuse

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	891	647	891	0
1ST	7+7/8	5+1/2	15.5	0	3,558	433	3,558	0

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

33. Comments Please note that 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 09871 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
1792348	CORRESPONDENCE
1857194	SELECTED ITEMS REPORT
400192052	FORM 2 SUBMITTED
400196878	OTHER
400196879	WELL LOCATION PLAT
400196880	OTHER
400196881	TOPO MAP
400196883	MINERAL LEASE MAP
400196886	SURFACE AGRMT/SURETY
400196888	DEVIATED DRILLING PLAN

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review passed 10/19/2011. NKP	10/19/2011 1:17:13 PM
Permit	Received authorization the change distance to nearest lease line and distance to nearest well in same formation. BY	10/19/2011 6:53:05 AM
Permit	Requested review of the distances to the nearest lease line and the lease description submitted. Also, the distance to the nearest well permitted/completed in the same formation should be the Parry GU E 4, that BHL is 1615' from this BHL. BY	10/18/2011 10:22:43 AM
Permit	Returned to draft. Patti Campbell is not an agent. Missing plugging bond. Mislabeled attachments	8/18/2011 6:38:17 AM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)