

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



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Document Number:

400224923

PluggingBond SuretyID

20110179

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: GUNNISON ENERGY CORPORATION

4. COGCC Operator Number: 100122

5. Address: 1801 BROADWAY #1200

City: DENVER State: CO Zip: 80202

6. Contact Name: Neil Allen Phone: (303)296-4222 Fax: (303)296-4555

Email: neil.allen@oxbow.com

7. Well Name: DGU Hotchkiss Federal 1289 Well Number: 18-H2

8. Unit Name (if appl): Deadman Gulch Unit Number: COC74489X

9. Proposed Total Measured Depth: 13266

WELL LOCATION INFORMATION

10. QtrQtr: SW NE Sec: 18 Twp: 12S Rng: 89W Meridian: 6

Latitude: 39.017458 Longitude: -107.377611

Footage at Surface: 1488 feet FNL/FSL 2739 feet FEL/FWL
FNL FWL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 7341.6 13. County: GUNNISON

14. GPS Data:

Date of Measurement: 07/29/2011 PDOP Reading: 1.2 Instrument Operator's Name: Robert Kay

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
1488 FNL 2739 FWL 440 FSL 1750 FWL
Sec: 18 Twp: 12S Rng: 89W Sec: 17 Twp: 12S Rng: 89W

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: 4181 ft

18. Distance to nearest property line: 2551 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2781 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.)
Mancos	MNCS			

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC65106

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):

Please see attached BLM Oil and Gas Lease COC65106. Also attached is a copy of the lease map.

25. Distance to Nearest Mineral Lease Line: 440 ft 26. Total Acres in Lease: 1075

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	26	20	78.6#	0	102		102	0
SURF	16	13+3/8	54.5#	0	822	246	822	0
1ST	12+1/4	9+5/8	40#	0	4,322	711	4,322	0
2ND	8+3/4	7	30#	0	7,681	783	7,681	3,300
1ST LINER	6+1/8	4+1/2	11.6#	6300	13,266	658	13,266	6,300

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

33. Comments _____

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: Patty Johnson

Title: Operations Technician Date: 11/18/2011 Email: patty.johnson@oxbow.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: 1/6/2012

API NUMBER

05 051 06104 00

Permit Number: _____ Expiration Date: 1/5/2014

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) 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 460 FEET DEEP.

Attachment Check List

Att Doc Num	Name
400224923	FORM 2 SUBMITTED
400224979	WELL LOCATION PLAT
400224980	WELL LOCATION PLAT
400224982	PLAT
400224998	TOPO MAP
400225025	OIL & GAS LEASE
400225029	SURFACE OWNER CONSENT
400225032	NRCS MAP UNIT DESC
400225034	LEASE MAP
400225530	FED. DRILLING PERMIT
400225532	DRILLING PLAN
400225535	SURFACE PLAN
400225625	FORM 2A
400225926	DEVIATED DRILLING PLAN
400225928	DEVIATED DRILLING PLAN

Total Attach: 15 Files

General Comments

User Group	Comment	Comment Date
Permit	All attachments open. LGD has no comments. Public comments waived. Final Comprehensive Review Status--passed.	1/5/2012 1:29:22 PM
LGD	The Local Government Designee (LGD) has consulted with staff for Gunnison County and states it has no comments at this time. Thank you.	11/30/2011 3:50:52 PM
Permit	off hold--oper. provided info on new federal unit, Deadman Gulch, which makes BHL legal. New unit map requested from BLM. Unit includes Sec. 17 & Sec. 20.	11/29/2011 2:05:49 PM
Permit	still on hold--corrected dist. to nearest rd. to 4181 (agrees w/ 2A), dist. to nearest prop. line to 2551 (agrees w/ 2A), dist. to nearest min. lease to 440' per oper.'s email instructions. advised oper. that BHL is not legal (must be 600' per statewide spacing. since BHL is currently 440' from fed. unit boundary). still need to correct FORM 2 submitted attachment (won't open).	11/28/2011 7:13:54 AM
Permit	numerous questions on footages: nearest rd, nearest well, prop. line, dist. to min. lease. unable to read attached FORM 2 submitted.	11/22/2011 9:54:18 AM
Permit	Operator corrected plugging bond. Form has passed completeness.	11/21/2011 1:54:06 PM
Permit	Returned to draft. Invalid plugging bond. Missing deviated drill plan attachment.	11/21/2011 6:49:41 AM
Permit	Returned to draft. Invalid plugging bond.	11/18/2011 12:56:40 PM

Total: 8 comment(s)

BMP

Type

Comment

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Total: 0 comment(s)