

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 MAP.

25. Distance to Nearest Mineral Lease Line: 760 ft 26. Total Acres in Lease: 640

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: closed loop

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	17+1/2	13+3/8	48		100	118	100	0
SURF	12+1/4	9+5/8	32.3		800	425	800	0
1ST	8+3/4	7	23		4,529	446	4,529	0
2ND	6+1/4	4+1/2	11.6		8,274			

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

33. Comments WELL WILL BE FRESH WATER MUD DRILLED TO 800'. LSND MUD SYSTEM DRILLED TO 4529 MD'. FRESH WATER OR BRINE WATER SYSTEM TO TD DEPENDING ON RESERVOIR CHARACTERISTICS.

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: TIM G. KELLEY

Title: AGENT Date: 12/7/2011 Email: TIM@FINNEYLAND.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. Nesline Director of COGCC Date: 1/24/2012

API NUMBER
05 007 06310 00

Permit Number: _____ Expiration Date: 1/23/2014

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) Provide 48 hour notice of spud to COGCC Inspector, Steve Labowskie at 970-259-094 or steve.labowskie@state.co.us

COA The operator will either re-route or bury the existing overhead power lines prior to MIRU on this location to comply with Rule 603.a. (1).

Attachment Check List

Att Doc Num	Name
1792404	CORRESPONDENCE
2286389	APD ORIGINAL
2286390	WELL LOCATION PLAT
2286391	TOPO MAP
2286392	MINERAL LEASE MAP
2286393	SURFACE AGRMT/SURETY
2286394	DEVIATED DRILLING PLAN
2286395	FED. DRILLING PERMIT

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed.	1/24/2012 6:25:10 AM
Permit	Samson agrees with the COA for the overhead power lines situation please see the attached letter from La Plata Electric Association.	1/24/2012 6:24:20 AM
Permit	Pursuant to our telephone conversation today, please amend the entry point footages and bottom hole locations footages on line #15 of the form 2 for the Navajo Lake 32-5 #16-1, #16-2 & #16-3 wells as follows: Entry Point Bottom Hole Navajo Lake 32-5 #16-1 2300' FNL x 760' FWL 760' FNL x 760' FEL Navajo Lake 32-5 #16-2 760' FSL x 760' FWL 760' FSL x 760' FEL Navajo Lake 32-5 #16-3 1900' FSL x 760' FWL 2500' FSL x 760' FEL Thank you for your help with this matter and if you have any questions or require any further information, please do not hesitate to contact me. Tim G. Kelley	1/10/2012 10:03:26 AM
Permit	Pursuant to our telephone conversation this morning, in the comments section of the form 2 for the Navajo Lake 32-5, #16-1, #16-2 & 16-3 wells, please state that the surface ownership is fee and that the production zone of the horizontal well bore produces in fee and tribal minerals.	1/10/2012 10:01:29 AM
Permit	Emailed Tim Kelley regarding footages differences between the BHL on the plat versus footages on the form.	1/10/2012 9:55:25 AM
Permit	82 feet to the nearest utility is an overhead powerline, Energen is in the process of either rerouting the OHE or going underground around the pad from Tim Kelley.	1/9/2012 3:04:21 PM
Permit	This form has passed completeness per area permitter.	12/19/2011 9:17:31 AM
Permit	Missing plugging bond? 82' to utility/railroad/building/road? Need to verify surface and minerals information. First string originally had 446/100 for sacks of cement.	12/14/2011 10:16:16 AM

Total: 8 comment(s)

BMP

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

Total: 0 comment(s)