

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 501, Denver, Colorado 80203 Phone: (303) 854-2130 Fax: (303) 854-2103



SUNDRY NOTICE

Submit original plus one copy. This form is to be used for general, technical and environmental sundry information. For proposed or completed operations, describe in full on Technical Information Page (Page 2 of this form.) Identify well or other facility by API Number or by OGCC Facility ID. Operator shall send an informational copy of all sundry notices for wells located in High Density Areas to the Local Government Designee (Rule 603b.)

RECEIVED

JUN 11 2012

COGCC

| | | |
|---|--|---|
| 1. OGCC Operator Number: <u>100122</u> | 4. Contact Name: <u>Neil Allen</u> | Complete the Attachment Checklist OP: COGCC |
| 2. Name of Operator: <u>Gunnison Energy Corporation</u> | Phone: <u>(303) 296-4222</u> | |
| 3. Address: <u>1801 Broadway Suite 1200</u> City: <u>Denver</u> State: <u>CO</u> Zip: <u>80234</u> | Fax: <u>(303) 296-4555</u> | |
| 5. API Number: <u>05-029-06085</u> | OGCC Facility ID Number: <u>321997</u> | Survey Plat |
| 6. Well/Facility Name: <u>Spaulding Peak 1294</u> | 7. Well/Facility Number: <u>#24-31 (aka #2-24)</u> | Directional Survey |
| 8. Location (Qtr/Qtr, Sec, Twp, Rng, Meridian): <u>NW NE Section 24-T12S-R94W</u> | | Surface Equip Diagram |
| 9. County: <u>Delta</u> | 10. Field Name: <u>Spaulding Peak 77810</u> | Technical Info Page <input checked="" type="checkbox"/> |
| 11. Federal, Indian or State Lease Number: _____ | | Other maps <input checked="" type="checkbox"/> |

General Notice

| | | | |
|--|---|--|---|
| <input type="checkbox"/> CHANGE OF LOCATION: Attach New Survey Plat | | (a change of surface qtr/qtr is substantive and requires a new permit) | |
| Change of Surface Footage from Exterior Section Lines: | <input type="checkbox"/> | FNLSL | FELFAL |
| Change of Surface Footage to Exterior Section Lines: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Change of Bottomhole Footage from Exterior Section Lines: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Change of Bottomhole Footage to Exterior Section Lines: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bottomhole location Qtr/Qtr, Sec, Twp, Rng, Mer | | attach directional survey | |
| Latitude _____ | Distance to nearest property line _____ | Distance to nearest bldg, public rd, utility or RR _____ | |
| Longitude _____ | Distance to nearest lease line _____ | Is location in a High Density Area (rule 603b)? Yes <input type="checkbox"/> No <input type="checkbox"/> | |
| Ground Elevation _____ | Distance to nearest well same formation _____ | Surface owner consultation date _____ | |
| GPS DATA: | | | |
| Date of Measurement _____ | | PDOP Reading _____ Instrument Operator's Name _____ | |
| <input type="checkbox"/> CHANGE SPACING UNIT | | <input type="checkbox"/> Remove from surface bond | |
| Formation _____ | Formation Code _____ | Spacing order number _____ | Unit acreage _____ Unit configuration _____ |
| <input type="checkbox"/> CHANGE OF OPERATOR (prior to drilling): | | <input type="checkbox"/> CHANGE WELL NAME | |
| Effective Date: _____ | From: _____ | NUMBER _____ | |
| Plugging Bond: <input type="checkbox"/> Blanker <input type="checkbox"/> Individual | To: _____ | Effective Date: _____ | |
| <input type="checkbox"/> ABANDONED LOCATION: | | <input type="checkbox"/> NOTICE OF CONTINUED SHUT IN STATUS | |
| Was location ever built? <input type="checkbox"/> Yes <input type="checkbox"/> No | Date well shut in or temporarily abandoned _____ | | |
| Is site ready for inspection? <input type="checkbox"/> Yes <input type="checkbox"/> No | Has Production Equipment been removed from site? <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| Date Ready for inspection: _____ | MIT required if shut in longer than two years. Date of last MIT _____ | | |
| <input type="checkbox"/> SPUD DATE: _____ | | <input type="checkbox"/> REQUEST FOR CONFIDENTIAL STATUS (15 mos from date casing set) | |
| <input type="checkbox"/> SUBSEQUENT REPORT OF STAGE, SQUEEZE OR REMEDIAL CEMENT WORK | | *submit cbl and cement job summaries | |
| Method used _____ | Cementing tool setting/point depth _____ | Cement volume _____ | Cement top _____ Cement bottom _____ Date _____ |
| <input type="checkbox"/> RECLAMATION: Attach technical page describing final reclamation procedures per Rule 1004. | | | |
| Final reclamation will commence on approximately _____ | | <input type="checkbox"/> Final reclamation is completed and site is ready for inspection. | |

Technical Engineering/Environmental Notice

| | | |
|---|---|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Report of Work Done | |
| Approximate Start Date: <u>June 11, 2012</u> | Date Work Completed: _____ | |
| Details of work must be described in full on Technical Information Page (Page 2 must be submitted.) | | |
| <input type="checkbox"/> Intent to Recomplete (submit form 2) | <input type="checkbox"/> Request to Vent or Flare | <input type="checkbox"/> E&P Waste Disposal |
| <input type="checkbox"/> Change Drilling Plans | <input type="checkbox"/> Repair Well | <input type="checkbox"/> Beneficial Reuse of E&P Waste |
| <input type="checkbox"/> Gross Interval Changed? | <input type="checkbox"/> Rule 502 variance requested | <input type="checkbox"/> Status Update/Change of Remediation Plans |
| <input type="checkbox"/> Casing/Cementing Program Change | <input checked="" type="checkbox"/> Other: <u>Temporary Wtr Storage</u> | for Spills and Releases |

I hereby certify that the statements made in this form are to the best of my knowledge, true, correct and complete.

Signed: Patty Johnson Date: June 11, 2012 Email: patty.johnson@oxbow.com
Print Name: Patty Johnson Title: Drilling and Operations TechnicianCOGCC Approved: Daniel Kulyko Title: Location Assessment Date: 6-11-12

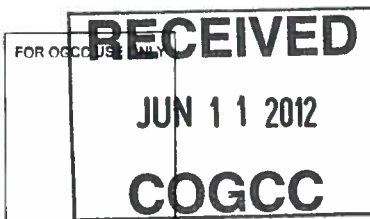
CONDITIONS OF APPROVAL, IF ANY:

Specialist



Page 2

TECHNICAL INFORMATION PAGE



1. OGCC Operator Number: 100122 API Number: 05-029-06085
2. Name of Operator: Gunnison Energy Corporation OGCC Facility ID # 321997
3. Well/Facility Name: Spaulding Peak 1294 Well/Facility Number: #24-31
4. Location (QtrQtr, Sec, Twp, Rng, Meridian): NW NE Section 24-T12S-R94W

This form is to be completed whenever a Sundry Notice is submitted requiring detailed report of work to be performed or completed. This form shall be transmitted within 30 days of work completed as a "subsequent" report and must accompany Form 4, page 1.

5. DESCRIBE PROPOSED OR COMPLETED OPERATIONS

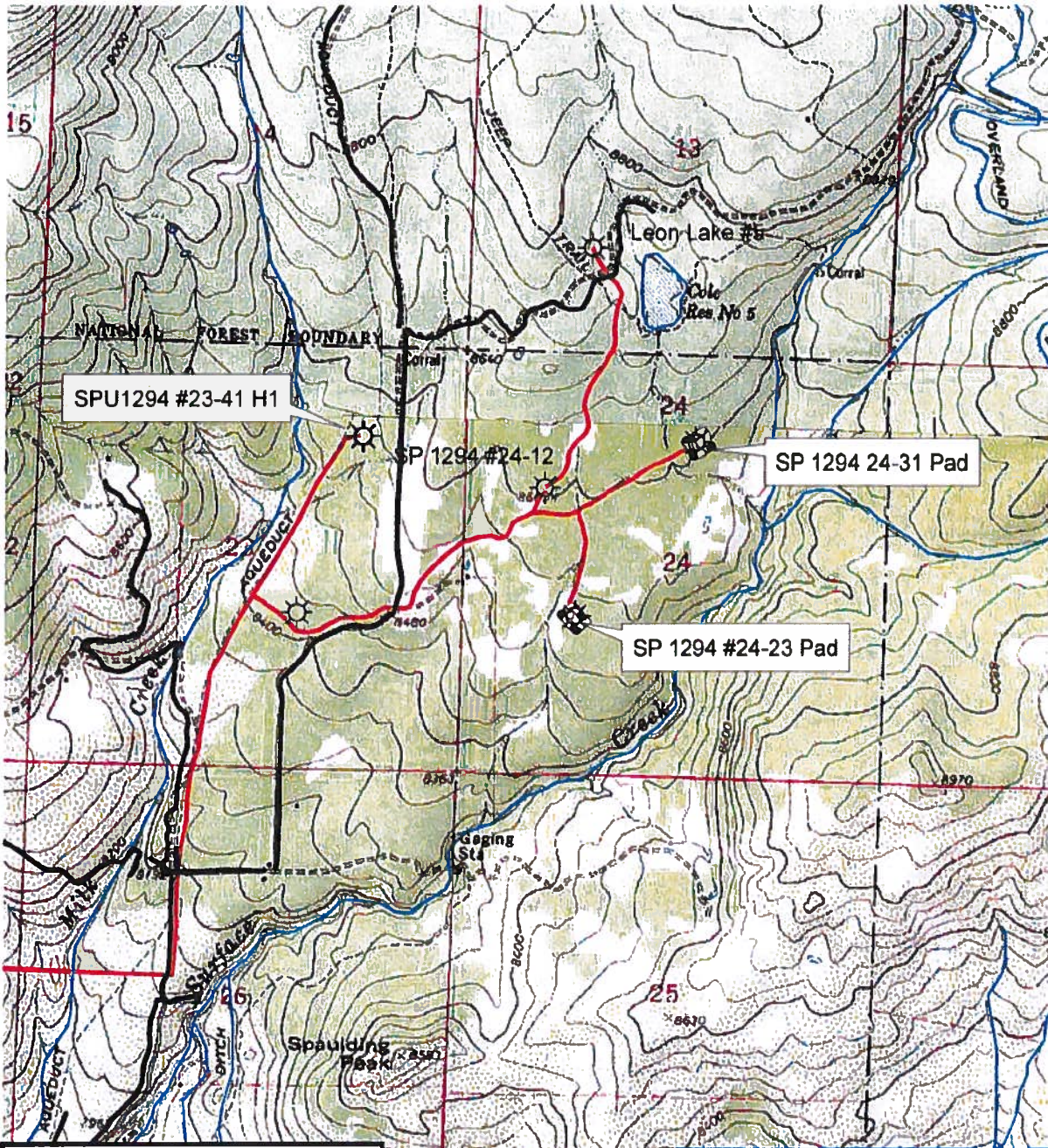
Gunnison Energy Corporation is proposing to set two (2) temporary water storage tanks on each, the existing Spaulding Peak 1294 #24-23 well pad and Spaulding Peak 1294 #24-31 well pad. Each well is shut in and not producing at this time. The temporary tanks are needed to store fresh water for completion water for the Spaulding Peak Unit Cockcroft 1294 #23-41D-H1 ("23-41") horizontal well. Water would be pumped from Surface Creek to the proposed storage facilities then piped via existing underground 6" pipeline to the 23-41 well pad, refer to attached Spaulding Peak Temporary Water Storage Topo map. Only fresh water, no flow back fluids from well completion, would be placed or stored in the temporary tanks. Fresh water will be purchased from the Grand Mesa Water Conservancy District.

One 74 foot diameter, 9,600 bbl portable tank and one 120 foot diameter, 24,000 bbl portable tank would be placed on each of the proposed pads following site preparation which would include leveling and placement of fine gravel to protect and support the liners. No additional disturbance beyond the original APD approval would be required for setting and using the portable tanks, refer to aerial photo with tank schematic attachments. The tanks would not be placed over the abandoned reserve pits which will remain untouched.





Each tank will consist of

- 36 mil Poly Propylene welded liner, placed over a protective underlayment
- Engineered interlocking pinned steel walls surrounding and supporting the liner
- Engineered steel support structures
- 9,600 bbl 74' diameter X 12' 4" high
- 24,000 bbl 120' diameter X 12' 4" high
- 1 foot free board maintained with each tank

The temporary water storage facilities will be utilized from mid-June 2012 through well completion which is expected to be finalized by September 2012. Following completion the tanks would be dismantled and removed from the site. The well pads would be re-contoured back to that required for well production. Topsoil would be replaced and seeded.



Legend

-  GEC Wells
-  Proposed Storage Pad
-  Stream
-  Spaulding Peak Pipeline
-  Road



1 000 500 0 1 000 Feet



GUNNISON ENERGY CORPORATION
An Oxbow Company

Proposed
Spaulding Peak Temporary Water Storage

Map Author
Lee Fyock

Scale
1:24,000

Date
6/7/2012

