

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400338044

Date Received:

12/13/2012

PluggingBond SuretyID

20030098

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: SG INTERESTS I LTD

4. COGCC Operator Number: 77330

5. Address: 1485 FLORIDA RD #C202

City: DURANGO State: CO Zip: 81301

6. Contact Name: Catherine Dickert Phone: (970)385-0696 Fax: (970)385-0636

Email: cdickert@sginterests.com

7. Well Name: Eck 12-90-1 Well Number: #3

8. Unit Name (if appl): Bull Mountain Unit Number: COC67120X

9. Proposed Total Measured Depth: 3660

WELL LOCATION INFORMATION

10. QtrQtr: LOT 1 Sec: 1 Twp: 12S Rng: 90W Meridian: 6

Latitude: 39.048110 Longitude: -107.390540

Footage at Surface: 455 feet FNL/FSL FNL 929 feet FEL/FWL FEL

11. Field Name: West Muddy Creek Field Number: 91970

12. Ground Elevation: 7544 13. County: GUNNISON

14. GPS Data:

Date of Measurement: 09/17/2012 PDOP Reading: 0.2 Instrument Operator's Name: David Nicewicz

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
565 FNL 816 FEL 565 FNL 816 FEL
Sec: 1 Twp: 12s Rng: 90w Sec: 1 Twp: 12s Rng: 90w16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 5690 ft

18. Distance to nearest property line: 455 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 9300 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.)
Rollins	RLNS			

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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 ☒ No23b. 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):

See attached mineral lease map.

25. Distance to Nearest Mineral Lease Line: 565 ft

26. Total Acres in Lease: 149

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	16	42	0	80	185	80	0
SURF	12+1/4	9+5/8	40	0	400	220	400	0
1ST	8+1/2	5+1/2	17	0	3,660	835	3,660	0

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

33. Comments The Eck 12-90-1 #3 will be added to the existing Eck 12-90-1 well pad without further ground disturbance.

34. Location ID: 428197

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: Catherine Dickert

Title: Env & Permit Manager

Date: 12/13/2012

Email: cdickert@sginterests.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: _____

Director of COGCC

Date: 1/18/2013

API NUMBER

05 051 06114 00

Permit Number: _____

Expiration Date: 1/17/2015

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.

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400338044	FORM 2 SUBMITTED
400338071	TOPO MAP
400338072	WELL LOCATION PLAT
400356706	WELL LOCATION PLAT
400356726	LEASE MAP
400357897	DIRECTIONAL DATA
400360887	DEVIATED DRILLING PLAN
400360888	DEVIATED DRILLING PLAN

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No public comments. Final Review--passed.	1/18/2013 6:55:44 AM
Permit	SG is surface owner & mineral owner. Changed #22b to "N/A" and removed surface bond. Distance to nearest unit boundary is greater than one mile.	1/11/2013 11:27:03 AM
Engineer	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 00 FEET DEEP.	12/24/2012 9:55:52 AM
Permit	operator attached deviated drilling plan. This form passed completeness.	12/21/2012 11:48:12 PM
Permit	Operator added bond info. Deviated Drilling Plan still missing.	12/17/2012 11:23:28 AM
Permit	Returned to draft. Needs an answer to 22b. Missing Deviated Drilling Plan	12/17/2012 8:23:33 AM

Total: 6 comment(s)

BMP

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

Total: 0 comment(s)