

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:

400383015

Date Received:

06/05/2013

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: Buck Creek 12-89-5 Well Number: 1

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

9. Proposed Total Measured Depth: 4200

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 5 Twp: 12S Rng: 89W Meridian: 6

Latitude: 39.046110 Longitude: -107.357940

Footage at Surface: 1159 feet FNL/FSL FNL 2181 feet FEL/FWL FEL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 6891 13. County: GUNNISON

14. GPS Data:

Date of Measurement: 11/01/2012 PDOP Reading: 1.0 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

Sec: Twp: Rng: Sec: Twp: Rng:

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: 336 ft

18. Distance to nearest property line: 485 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2600 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.)
Cameo Coal	CME0	NA		
Corcoran	CRCRN	NA		
Cozzette	COZZ	NA		
Williams Fork Coals	WMFKC	NA		

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#: 2003009923a. 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):

See attached lease map.

25. Distance to Nearest Mineral Lease Line: 485 ft

26. Total Acres in Lease: 243

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	50	0	80	185	80	0
SURF	12+1/4	9+5/8	40	0	400	225	400	0
1ST	8+1/2	5+1/2	17	0	4200	420	4200	2100
			Stage Tool		2100	400	2100	0

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: Catherine Dickert

Title: Env & Permit Manager Date: 6/5/2013 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: Matthew Lee Director of COGCC Date: 8/15/2013

API NUMBER

05 051 06117 00

Permit Number: _____ Expiration Date: 8/14/2015

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.

COA Type	Description
	(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.
	(2) COGCC CONCURS WITH OPERATOR'S PROPOSED CEMENT TO SURFACE FOR THE PRODUCTION CASING. PRODUCTION CASING CEMENT SHALL EXTEND FROM THE PRODUCTION CASING SHOE TO A MINIMUM OF 200' ABOVE THE SURFACE CASING SHOE. PRODUCTION CASING CEMENT COVERAGE VERIFICATION BY CBL 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
400383015	FORM 2 SUBMITTED
400383178	WELL LOCATION PLAT
400383179	LEASE MAP
400383180	TOPO MAP

Total Attach: 4 Files

General Comments

User Group	Comment	Comment Date
Permit	No LGD or public comments. Final Review--passed.	8/13/2013 1:45:30 PM
Permit	Corrected #17 to agree with 2A. Distance to nearest unit boundary is 2181'.	7/18/2013 1:28:23 PM
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 130 FEET DEEP.	6/11/2013 2:56:35 PM
Permit	Form passes completeness.	3/6/2013 9:24:41 AM

Total: 4 comment(s)

Best Management Practices

No	BMP/COA Type	Description