

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:

1715508

Date Received:

07/31/2009

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

PluggingBond SuretyID

3. Name of Operator: RED WILLOW PRODUCTION CO 4. COGCC Operator Number: 81295

5. Address: P O BOX 369
City: IGNACIO State: CO Zip: 81137

6. Contact Name: JAMES B. KEENER Phone: (970)563-0145 Fax: (970)563-0398
Email: asimons@rwpc.us

7. Well Name: SOUTE FC 32-8 Well Number: 4-14

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 4382

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 4 Twp: 32N Rng: 8W Meridian: N

Latitude: 37.050710 Longitude: -107.719160

Footage at Surface: 959 feet FNL 1586 feet FEL

11. Field Name: IGNACIO BLANCO Field Number: 38300

12. Ground Elevation: 7221 13. County: LA PLATA

14. GPS Data:

Date of Measurement: 09/10/2007 PDOP Reading: 3.0 Instrument Operator's Name: SCOTTWIEBE

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: 2360 FNL 2417 FEL 2500 FNL 2500 FEL
Sec: 4 Twp: 32N Rng: 8W Sec: 4 Twp: 32N Rng: 8W

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: 3168 ft

18. Distance to nearest property line: 2360 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1101 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| FRUITLAND COAL | FRLDC | 112-190 | 320 | N2 |

21. Mineral Ownership: Fee State Federal Indian Lease #: 142015126

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):

SEC 4, 3, 9 & 10 T32N R08W

25. Distance to Nearest Mineral Lease Line: 2360 ft 26. Total Acres in Lease: 2560

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: EVAP. & BURIAL

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 |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| SURF | 12+1/4 | 8+5/8 | 24 | | 500 | 350 | 500 | 0 |
| 1ST | 7+7/8 | 5+1/2 | 17 | | 4382 | 820 | 4382 | 0 |

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

33. Comments NO CHANGES HAVE BEEN MADE TO ORIGINAL APD - NO CONDUCTOR CASING WILL BE USED.

34. Location ID: 333630

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: Y Print Name: JAMES B. KEENER

Title: DRILLING & PROD. MGR Date: 7/30/2009 Email: ASIMONS@RWPC.US

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: David S. Neslin Director of COGCC Date: 8/19/2009

API NUMBER

05 067 09591 00

Permit Number: _____ Expiration Date: 8/18/2011

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.

Description

None - Tribal

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|-------------------|
| 1715508 | APD APPROVED |
| 400003070 | APD APPROVED |
| 400023381 | APD ORIG & 1 COPY |

Total Attach: 3 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | |

Total: 0 comment(s)

Best Management Practices

| <u>No</u> | <u>BMP/COA Type</u> | <u>Description</u> |
|-----------|---------------------|--------------------|
| | | |