

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:

1784180

Date Received:

08/10/2009

PluggingBond SuretyID

20090076

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: BAYHORSE PETROLEUM LLC 4. COGCC Operator Number: 10234

5. Address: 2558 E PORTSMOUTH AVE
City: SALT LAKE CITY State: UT Zip: 84121

6. Contact Name: ROD VAUGHN Phone: (435)752-2021 Fax: (435)752-2021
Email: RLVAUGHN47@Q.COM

7. Well Name: TRADE WINDS Well Number: 1-28

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

9. Proposed Total Measured Depth: 4450

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 28 Twp: 18S Rng: 47W Meridian: 6

Latitude: 38.467590 Longitude: -102.682240

Footage at Surface: 659 feet FNL 1983 feet FEL

11. Field Name: LEFT HAND Field Number: 48880

12. Ground Elevation: 4140 13. County: KIOWA

14. GPS Data:

Date of Measurement: 07/27/2009 PDOP Reading: 2.0 Instrument Operator's Name: KEITH WESTFALL

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: 154 ft

18. Distance to nearest property line: 169 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): _____

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.)
CHEROKEE	CHRK	252-6	80	W2NE
MARMATON	MRTN			

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

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):

NW/4, NE/4, SE/4 OF SEC. 28 AND SW/4 OF SEC. 27, T18S-R47W

25. Distance to Nearest Mineral Lease Line: 659 ft 26. Total Acres in Lease: 622

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
SURF	12+1/4	8+5/8	24		450	280	450	0
1ST	7+7/8	4+1/2	10.5		4450	200	4450	2950

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

33. Comments LINE 19: NO KNOWN ACTIVE MARMATON WELL IN SE COLO. LINE #18 & 25: FILED APPLICATION FOR SPACING HEARING, 659 FT TO SPACING BOUNDARY. NO CONDUCTOR PLANNED

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: RODNEY L. VAUGHN

Title: PRESIDENT Date: 8/11/2009 Email: RLVAUGHN47@Q.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: David S. Nashin Director of COGCC Date: 10/6/2009

API NUMBER: **05 061 06838 00** Permit Number: _____ Expiration Date: 10/5/2011

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

PERMIT NOT VALID FOR KEYES SANDSTONE (LOWER MORROW)

The surface owner, LGD and operator have submitted appeals waivers per Rule 305.d(1). See attached.

1) Provide 24 hour notice of MIRU to Mike Leonard at 719-767-2805 or e-mail at mike.leonard@ state.co.us. 2) If production casing is set provide cement coverage to at least 200' above Marmaton, and stage cement from 50' below Cheyenne to 50' above Dakota (est. 1450 - 850'). Run CBL to verify primary and stage cement jobs. 3) If well is a dry hole set the following plugs: 40 sks cement +/- 50' above the Marmaton, 40 sks cement above any DST zone, 40 sks cement 50' below base of Cheyenne (est. 1450' up), 40 sks cement at top of Cheyenne (est. 1200' up), 40 sks cement 50' above top of Dakota (est. 850' up), 50 sks cement from 50' below surface casing shoe up into surface casing, 10 sks cement in top of surface csg, cut 4 ft below GL, weld on plate, 5 sks cement in rat hole and mouse hole.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
1784180	APD APPROVED
1784184	MINERAL LEASE MAP
1784185	REFERENCE AREA PICTURES
1784238	TOPO MAP
1784240	WELL LOCATION PLAT
1808461	WAIVERS
1940292	30 DAY NOTICE LETTER
1940682	SURFACE CASING CHECK
400008730	APD ORIG & 1 COPY

Total Attach: 9 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>