

State of Colorado Oil and Gas Conservation Commission

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



APPLICATION FOR PERMIT TO:

- 1. [X] Drill, [] Deepen, [] Re-enter, [] Recomplete and Operate

2. TYPE OF WELL: OIL [] GAS [X] COALBED [] OTHER: [] SINGLE ZONE [] MULTIPLE ZONES [] COMMINGLE ZONES []

Refiling [] Sidetrack []

3. COGCC Operator Number: 91755 4. Name of Operator: UNITED STATES EXPLORA... 5. Address: 1500 POLY DRIVE, SUITE 100 City: BILLINGS State: MT Zip: 59102 6. Contact Name: JAN HARMON Phone: 406.294.5990 Fax: 406.294.5992 7. Well Name: ERIE ROAD Well Number: 42-15 8. Unit Name (if appl): Unit Number: 9. Proposed Total Depth: 8450'

Complete the Attachment Checklist table with columns OP and COGCC, rows including APD Orig & 1 Copy, Form 2A, Well location plat, Topo map, Mineral lease map, Surface agrmt/Surety, 30 Day notice letter, Deviated Drilling Plan, Exception Loc Request, Exception Loc Waivers, H2S Contingency Plan, Federal Drilling Permit.

10. QtrQtr: SENE Sec: 15 Twp: 1N Rng: 68W Meridian: 6 Footage from Exterior Section Lines At Surface: 1777' FNL, 871' FEL 11. Field Name: WATTENBERG Field Number: 90750 12. Ground Elevation: 5099' 13. County: WELD

14. If well is: [] Directional [] Horizontal (highly deviated), submit deviated drilling plan. Footage from Exterior Section Lines and Sec Twp Rng At Top of Production Zone: At Bottom Hole:

15. Is location in a high density area (Rule 603b)? [] Yes [X] No 16. Distance to the nearest building, public road, above ground utility or railroad: 200+ 17. Distance to Nearest Property Line: 871' 18. Distance to nearest well permitted/completed in the same formation: 775'

19. LEASE, SPACING AND POOLING INFORMATION

Table with columns: Objective Formation(s), Formation Code, Spacing Order Number (s), Unit Acreage Assigned to Well, Unit Configuration (N/2, SE/4, etc.)

20. Mineral Ownership: [X] Fee [] State [] Federal [] Indian Lease # 21. Surface Ownership: [X] Fee [] State [] Federal [] Indian 22. Is the Surface Owner also the Mineral Owner? [] Yes [X] No Surface Surety ID# 1998-0036 23. 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): E2, SEC. 15, T1N, R68W, 6 24. Distance to Nearest Mineral Lease Line: 871' 25. Total Acres in Lease: 320

DRILLING PLANS AND PROCEDURES

26. Is H2S anticipated? [] Yes [X] No If Yes, attach contingency plan. 27. Will salt sections be encountered during drilling? [] Yes [X] No 28. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? [] Yes [X] No 29. If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? [] Yes [X] No If 27, 28 or 29 are "Yes" a pit permit may be required. 30. Mud disposal: [X] Offsite [] Onsite Method: [] Land Farming [X] 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.

Table with columns: String, Size of Hole, Size of Casing, Weight Per Foot, Setting Depth, Sacks Cement, Cement Bottom, Cement Top

31. BOP Equipment Type: [X] Annular Preventor [X] Double Ram [X] Rotating Head [] None 32. Comments: Notification of On Site Inspection policy has been given to Surface Owner.

33. Initial Rule 306 Consultation took place on (date) 3-9-05, was waived, or is not required. Provide supporting documentation if consultation has been waived or if good faith effort did not result in consultation. PERMIT SUBMITTED TO COGCC PRIOR TO COMPLIANCE WITH RULE 306 CONSULTATION SHALL BE RETURNED UNAPPROVED. I hereby certify that a complete permit package has been sent to the applicable Local Government Designee(s), and all statements made in this form are, to the best of my knowledge, true, correct, and complete. Signed: Jan Harmon Print Name: Jan Harmon Title: Operations Administrator Date: 3-16-05

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: [Signature] Director of COGCC Date: 4-19-05 Permit Number: 20050939 Expiration Date: 4-18-06

API NUMBER 05-123-22924-00

CONDITIONS OF APPROVAL, IF ANY:

1) Provide 24 hour notice of MIRU to Dave Shelton at 303-894-2100 x 108 or e-mail at david.shelton@state.co.us 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Shannon to 200' above Sussex. Verify coverage with cement bond log.

Erie ROAD 42-15

Well name and number:

SENE-S15-T7N-R68W

Survey Plat Check list

| number | Item | |
|--------|--|-----|
| | 8-1/2" x 11" scaled drawing of the entire section | OK |
| 1 | Dimensions on adjacent exterior section lines sufficient to completely describe the quarter section containing the proposed well shall be indicated | OK |
| 1a | If dimensions are not field measured, state how the dimensions were determined | OK |
| 2 | For directional drilling into an adjacent section, that section shall also be shown on the location plat and dimensions on exterior section lines sufficient to completely describe the quarter section containing the proposed productive interval and bottom hole location shall be indicated. | N/A |
| 3 | For irregular, partial or truncated sections, dimensions will be furnished to completely describe the entire section containing the proposed well. | N/A |
| 4 | The field-measured distances from the nearer north/south and nearer east/west section lines shall be measured at ninety (90) degrees from said section lines to the well location and referenced on the plat. | OK |
| 4.1* | For unsurveyed land grants and other areas where an official public land survey system does not exist the well locations shall be spotted as footages on a protracted section plat using Global Positioning System (GPS) technology and also reported as latitude and longitude in accordance with the requirements set forth below: in 4A, 4B, 4C | N/A |
| 4A* | All GPS data reported to the Commission shall be differentially corrected using base station data or other correction sources. The base station or other correction source shall be identified and reported with the coordinate values. | |
| 4B* | Coordinates shall be reported as latitude and longitude in decimal degrees to an accuracy of at least five (5) decimal places (e.g.; latitude 37.12345 N, longitude 104.45632 W). | |
| 4C* | All data shall be referenced to the North American Datum (NAD) of 1927. | |
| 4D | The date of the survey shall be reported. | OK |
| 5 | A map legend | OK |
| 6 | A North Arrow | OK |
| 7 | A scale expressed as an equivalent (e.g. 1" = 1000'). | OK |
| 8 | A bar scale. | OK |
| 9 | The ground elevation. | OK |
| 10 | The basis of the elevation (how it was calculated or its source). | OK |
| 11 | The basis of bearing or interior angles used. | OK |
| 12 | Complete description of monuments and/or collateral evidence found; all aliquot corners used shall be described. | OK |
| 13 | The legal land description by section, township, range, principal meridian, baseline and county. | OK |
| 14 | Operator name | OK |
| 15 | Well name and number | OK |
| 16 | Date of completion of scaled drawing | OK |
| 17a | All visible improvements within two hundred (200) feet of a wellhead (or, in a high density area within four hundred (400) feet of a wellhead) shall be physically tied in and plotted on the well location plat or on an addendum, with a horizontal distance and approximate bearing from the well location. | N/A |
| 17b | Visible improvements shall include, but not be limited to, all buildings, publicly maintained roads and trails, major above-ground utility lines, railroads, pipelines, mines, oil wells, gas wells, injection wells, water wells, visible plugged wells, sewers with manholes, standing bodies of water, and natural channels including permanent canals and ditches through which water flows. | N/A |
| 17c | If there are no visible improvements within two hundred (200) feet of a wellhead (or in a high density area within four hundred (400) feet of a wellhead), it shall be so noted on the Permit-to-Drill, Form 2. | OK |
| 18 | Surface use shall be described within the two hundred (200) foot radius of a wellhead (or in a high density area within the four hundred (400) foot radius of a wellhead). | OK |

* Only required for unsurveyed land grants and other areas where an official public land survey system does not exist.

The survey plat you submitted with your permit was found to be in non-compliance with COGCC rule 303c. See above checklist. If a survey plat is not in compliance with rule 303c the operator will be notified and the permit will be placed on hold until an adequate replacement is supplied to the COGCC.

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