FORM 2 Rev 8/99

State of Colorado
Oil and Gas Conservation Commission

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

00878996

FOR OGCC USE ONLY

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1. TYPE OF WORK

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL [ ] GAS [X] COAL BED [ ] OTHER: _____

SINGLE ZONE [X] MULTIPLE ZONE [ ] COMMINGLE ZONES [ ]

Refiling [ ]
Side Track [ ]

Plugging Bond Surety ID#: 2000 0089

3. OGCC Operator Number: 63270

4. Name of Operator: Nielson & Associates, Inc.

5. Address: PO Box 2850

City: Cody State: WY Zip: 82414

6. Contact Name & Phone

Jim Williams

Phone: 307-587-2445

Fax: 307-527-4943

APPROVED

7. Well Name: North Wellington Well Number: #21-1

8. Unit Name (if appl.): _____ Unit No: _____

9. Proposed Total Depth: 7800' +/-

Complete the Attachment Checklist

	Op	OGCC
APD Original & 2 Copies	X	
Form 2A (Reclamation) & 1 Copy	X	
~~Permit Fee~~		
Well Location Plat	X	
Copy of Topo Map	X	
Plugging Surety		
Mineral Lease Map		
Surface Agreement/Surety		
Pit Permit (Form 15)		
Deviated Drilling Plan		
Request for Exception Location		
Exception Location Waivers		
H_2S Contingency Plan		
Federal Drilling Permit (1 Set)		
30 Day Notice WAIVER	X	
Sent complete permit package to county	X	

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 21 Twp: 11N Rng: 68W Meridian: 6th

Footage From Exterior Section Lines:

At Surface: 714' FSL and 894' FEL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: ~~5262~~ 5762 13. County: Larimer

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: _____

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15. Is location in a high density area (Rule 603b)? [ ] Yes [X] No

16. Distance to nearest building, public road, above ground utility or railroad: None within 200'

17. Distance to Nearest Property Line: 714' 18. Distance to nearest well completed in same formation: 2 miles

19.

LEASE, SPACING, AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc)
J-Sand	JSND			~~SE SE~~
Niobrara	NBRR			~~SE SE~~

20. Mineral Ownership: [X] Fee [ ] State [ ] Federal [ ] Indian Lease #: _____

21. Surface Ownership: [X] Fee [ ] State [ ] Federal [ ] Indian

Is the Surface Owner also the Mineral Owner? [X] Yes [ ] No Surface Surety ID #: _____

If No: [ ] Surface Owners Agreement Attached or [ ] $25,000 Blanket Surface Bond [ ] $2,000 Surface Bond [ ] $5,000 Surface Bond

23. Describe lease area associated only with the proposed well by QtrQtr, Sec, Twp, Rng (attach separate sheet/map if required):

T11N - R68W Sec. 21 All

24. Distance to Nearest Lease Line: 714' 25. Total Acres in Lease: 640

DRILLING PLANS AND PROCEDURES

26. Approx. Spud Date: November 10, 2000 NOTE: If air/gas drilling, notify local fire officials

27. Drilling Contractor Number: TBD Name: TBD Phone #: TBD

28. Is H_2S Anticipated: [ ] Yes [X] No If yes, attach contingency plan.

29. Will salt sections be encountered during drilling? [ ] Yes [X] No

30. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling ? [ ] Yes [X] No

31. If questions 29 or 30 are yes, is this location in a sensitive area (Rule 903)? [ ] Yes [X] No

33. Mud disposal: [ ] Offsite [X] Onsite

Method: [ ] Land Farming [ ] Land Spreading [ ] Disposal Facility [X] Other: Evaporation & Burial

NOTE: The use of an earthen pit for recompletion fluids requires a pit permit (Rule 905b).

33.

CASING AND CEMENTING PROGRAM

String	Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
Surface	11-3/4"	8-5/8"	24#	0-600'	300sx	600'	Surface
Production	7-7/8"	5-1/2"	15.5 & 17#	0-7800'	110sx	7800'	6400'
			Stage Tool				

35. BOP Equipment Type: [ ] Annular Preventor [X] Double Ram [ ] Rotating Head [ ] None 3000 psi

36. Comments, if any:

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct, and complete.

Print Name: Lisa L. Smith - Permitco Inc. (303) 857-9999

Signed: Lisa L. Smith Title: Consultant for Nielson & Associates, Inc Date: 11/03/00

OGCC Approved: S. Burkling Director of COGCC Date: DEC 07 2000

API NUMBER 05 069 06330 00

Permit Number: 001355 Expiration Date: DEC 07 2001

CONDITIONS OF APPROVAL, IF ANY:

SEE BACK FOR C.O.A.

CONDITIONS OF PERMIT APPROVAL:

Provide 24 hour notice of MIRU to Dave Shelton at 303-894-2100 x 108. If production casing is set provide cement coverage of all potential hyrdocarbon bearing formations. If well is plugged and abandoned, the minimum requirements will be to set cement plugs at the following depths: 1) 40 sks cement above J Sand 2) 40 sks cement above Niobrara 3) 40 sks cement from 2000' to 1900' 4) 40 sks cement ½ out, ½ in 8 5/8" surface casing shoe 5) 10 sks cement at top of 8 5/8" casing, cut 4' below GL, weld plate. In addition, any potentially hydrocarbon bearing formations shall be isolated with a 40 sk cement plug across or above the formation.