

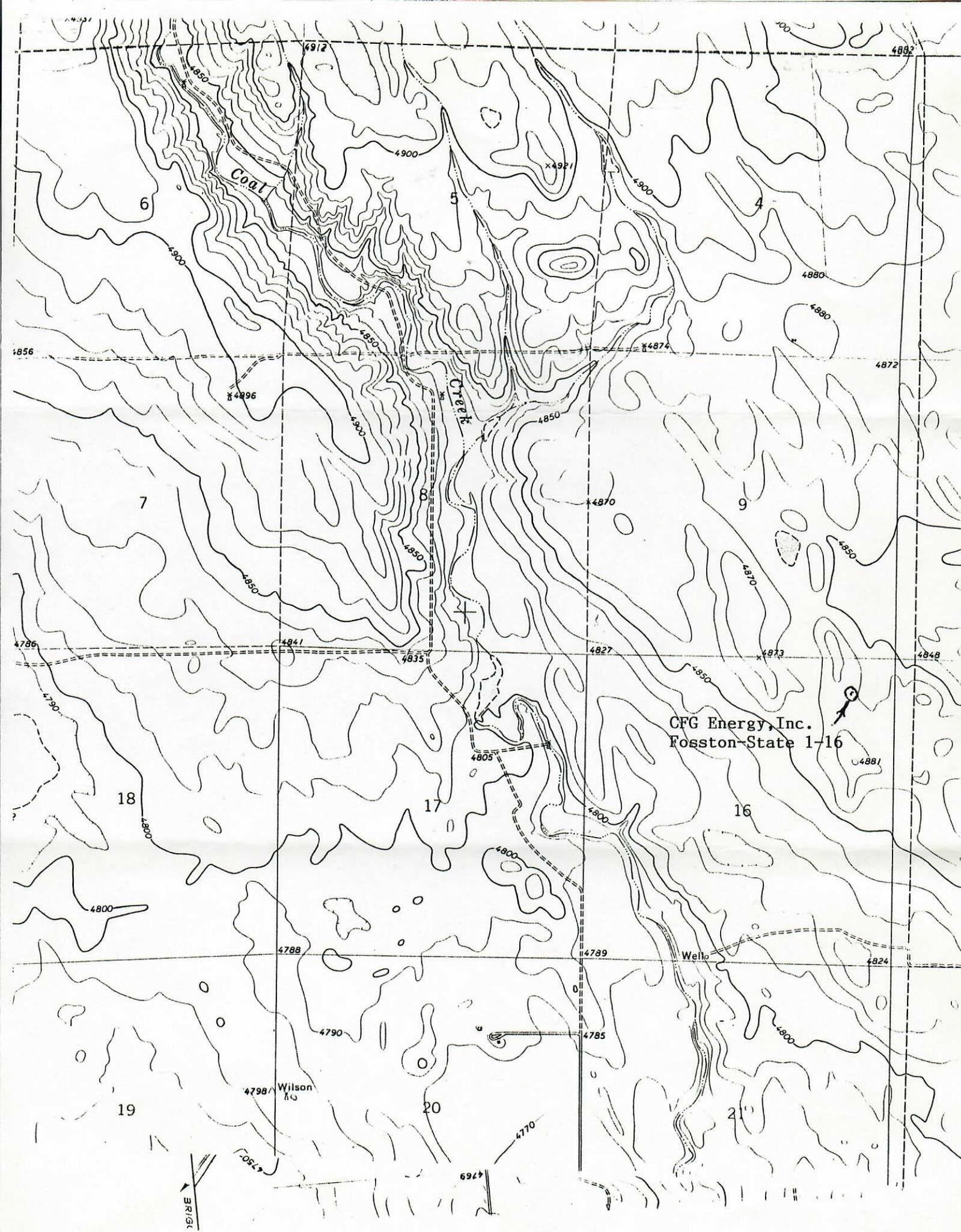


00205451

STATE OF COLORADO
OIL AND GAS CONSERVATION COMMISSION
DEPARTMENT OF NATURAL RESOURCES

C

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR RE-ENTER AND OPERATE				1. LEASE DESIGNATION AND SERIAL NO. State 88/5180-S																
2. TYPE OF WORK a. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> b. TYPE OF WELL SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				6. IF INDIAN, ALLOTTEE OR TRIBE NAME																
3. OPERATOR: CFG Energy, Inc. ADDRESS: P.O. Box 730 CITY: Greeley STATE: CO ZIP: 80632 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 605' FNL, 715' FEL ✓ At proposed Prod. zone				7. UNIT AGREEMENT NAME																
5. PHONE NO. (303) 339-9330				8. FARM OR LEASE NAME Fosston/State																
9. WELL NO. 1-16				10. FIELD AND POOL OR WILDCAT S.W. Fosston																
11. QTR. QTR. SEC. T.R. AND MERIDIAN NENE-16-7N-63W, 6th P.M. ✓				12. COUNTY Weld																
13. DISTANCE, IF LESS THAN 200 FT. FROM ANY OCCUPIED BLDG. PUBLIC ROAD, ABOVE GROUND UTILITY LINE OR RAILROAD (SHOW FOOTAGES ON SURVEY PLAT) N/A		14. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE. FT. Also to nearest dty line, if any 605'		15. NO. OF ACRES IN LEASE* 640																
16. NO. OF ACRES AND/OR DRILLING UNIT ASSIGNED TO THIS WELL 40		17. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE. FT. 1082		18. PROPOSED DEPTH 7800																
19. OBJECTIVE FORMATION Morrison		20. ELEVATIONS (Show whether GR or KB) 4862GR		21. DRILLING CONTRACTOR Not Yet Determined																
22. APPROX. DATE WORK WILL START August 16, 1993		23. PROPOSED CASING AND CEMENTING PROGRAM																		
<table border="1"><thead><tr><th>SIZE OF HOLE</th><th>SIZE OF CASING</th><th>WEIGHT PER FOOT</th><th>SETTING DEPTH</th><th>QUANTITY OF CEMENT</th></tr></thead><tbody><tr><td>12 1/2"</td><td>8 5/8"</td><td>24#</td><td>540 ✓</td><td>350sx</td></tr><tr><td>7 7/8"</td><td>4 1/2"</td><td>11.6#</td><td>7780</td><td>250sx-Class "G"</td></tr></tbody></table>						SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT	12 1/2"	8 5/8"	24#	540 ✓	350sx	7 7/8"	4 1/2"	11.6#	7780	250sx-Class "G"
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24. IS SURFACE OWNER ALSO THE MINERAL OWNER? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> State of Colorado If NOT surface bond must be on file or copy of surface agreement must be furnished. If irrigated land, surface bond of \$5000 is required. Blanket bond on file with Colorado State Board of Land Commissioners ✓ *DESCRIBE LEASE BY QTR. QTR., SEC., TWSHP., RNG. All-16-7N-63W ✓																				
PLEASE FILL IN APPROPRIATE CODES: OPER. NO. 12460 DRILL. NO. FIELD NO. 26295 LEASE NO. FORM CD Morrison MRSN D.J. Basin																				
25. Thomas B. Croke, III PRINT SIGNED <u>Thomas B. Croke</u> TITLE <u>President</u> DATE <u>August 13, 1993</u>																				
This space for Federal or State Use																				
PERMIT NO. <u>931060</u>		APPROVAL DATE <u>AUG 16 1993</u>		EXPIRATION DATE <u>DEC 12 1993</u>																
APPROVED BY <u>Susan McCannan</u>		TITLE <u>Director</u>		DATE <u>8-16-93</u>																
CONDITIONS OF APPROVAL, IF ANY: <u>Comply with Order A-1-3.</u>																				
See Instructions On Reverse Side																				
A.P.I. NUMBER <u>65 123 17252</u>																				





Holloway & Holloway, Inc.

P.O. Box 3331
Greeley, CO 80633
(303) 867-3715
(303) 352-5852

Basis of elev spot
elev at NE cor. 4848' **N**

R63W

NE cor. No.5
re-bar

NW cor. No.5
re-bar

S89°25'E 5400'

Gr. Elev. 4862'

grassland

Note: There are no visible improvements
within a 200 foot radius of wellsite.

16

Basis of Bearings: Bearings were determined based upon the
East line of Section 16 as bearing S0°05'W with all other
bearings as being relative thereto.

T
7
N
S0°05'W 5379.8'

SE cor. No.5
re-bar



Scale --- 1" = 1000'

In accordance with a request from CFG Energy, Inc.
the Undersigned has
determined the location of the Fosston-State 1-16

well

to be 605'FNL & 715'FEL at right angles

as co-ordinates

Section 16 Township 7N Range 63W of the 6th principal Meridian

Weld County, Colorado.

I hereby certify,
that this oil and/or gas well location certificate was prepared for CFG Energy, Inc.
that it is not a land survey plat or improvement survey plat, and that it is not to be relied upon for the
establishment of fence, building or other future improvement lines.

Date 8-14-93

Brian J. Holloway
Holloway & Holloway, Inc.
States of
Colorado, Nebraska, Wyoming



CONSENT TO ISSUANCE OF DRILLING PERMIT

THIS CONSENT is made and entered into this 13th day of August, 1993, by and between ROLAND G. BALL and VERDA F. BALL, individuals whose address is 43501 Weld County Road 71, Briggsdale, Colorado 80611 (collectively, the "Surface Tenants"), and CFG ENERGY, INC., a Colorado corporation, whose address is 2030 39th Avenue, P.O. Box 730, Greeley, Colorado 80632-0730 ("CFG"), for the use and benefit of the Colorado Oil and Gas Conservation Commission.

CFG is applying for a permit to drill the Fosston/State #1-16 oil and gas well (the "Well") in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 16, Township 7 North, Range 63 West, 6th P.M., Weld County, Colorado. Surface Tenants are the agricultural tenants of Section 16. By this instrument, CFG and Surface Tenants hereby (i) confirm that CFG and Surface Tenants have consulted regarding surface location and roads in connection with the Well; and (ii) request that the Colorado Oil and Gas Conservation Commission consider this Consent as evidence of prior consultation and immediately issue the drilling permit.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

CFG ENERGY, INC.

By:

Thomas B. Croke, III
Thomas B. Croke, III, President

Roland G. Ball
Roland G. Ball

Verda F. Ball
Verda F. Ball