

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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#: 20010165
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 SECTION SECTION 30-T18S-R45W, 6TH P.M.
25. Distance to Nearest Mineral Lease Line: 605 ft 26. Total Acres in Lease: 160

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: DRY AND BURY
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	0	300	250	300	0
1ST	7+7/8	5+1/2	15.5	0	5,000	150	5,000	3,800
			Stage Tool	0	2,300	400	2,300	0

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None
33. Comments NO CONDUCTOR OR INTERMEDIATE CASING WILL BE SET.

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: MARK SHREVE
Title: PRESIDENT/COO Date: 5/5/2011 Email: MSHREVE@MULLDRILLING.

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. Noshin Director of COGCC Date: 6/10/2011

API NUMBER
05 061 06862 00

Permit Number: _____ Expiration Date: 6/9/2013

CONDITIONS OF APPROVAL, IF ANY: _____

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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.

- 1) Provide 24 hour notice of MIRU to Craig Quint at 719-767-8939 or e-mail at craig.quint@state.co.us.
- 2) If production casing is set provide cement coverage to at least 200' above the shallowest completed interval and stage cement Cheyenne & Dakota zones (1370' – 780' minimum). Run CBL to verify primary and stage cement.
- 3) If well is a dry hole set the following plugs: 40 sks cement 50' above the Spergen, 40 sks cement 50' above the Morrow, 40 sks cement across any DST w/ show, 40 sks cement 100' below base of Cheyenne (1370' up), 40 sks cement 50' above top of the Dakota (780' up), 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface csg, cut 4 feet below GL, weld on plate, 5 sks cement in rat hole and mouse hole.

Attachment Check List

Att Doc Num	Name
2566871	SURFACE CASING CHECK
400161247	FORM 2 SUBMITTED
400161256	WELL LOCATION PLAT
400161257	TOPO MAP
400162030	30 DAY NOTICE LETTER

Total Attach: 5 Files

General Comments

User Group	Comment	Comment Date
Permit	Requested to change from NWNW to Lot 1. Sorry about that – please change to Lot 1. Thanks, Mark	6/7/2011 11:37:48 AM

Total: 1 comment(s)

BMP

Type	Comment
Interim Reclamation	DEBRIS AND WASTE MATERIAL REMOVED. AREAS NOT IN USE RECLAIMED PROMPTLY, PITS CLOSED USING SEGREGATED MATERIAL, WELL PAD AND OTHER COMPACTED SURFACES RIPPED. NOXIOUS WEEDS CONTROLLED.
Drilling/Completion Operations	IMPLEMENT STORM WATER POLLUTION PREVENTION PLAN, INCLUDING ROUTINE INSPECTIONS AND EVALUATION OF EFFECTIVENESS. LOCATE TANK BATTERIES AT SAFE DISTANCE FROM PUBLIC ROADWAYS AND RAILHEAD. FULL CONTAINMENT FOR STOCK TANKS AND SEPERATORS. INSTALLATION OF PIPELINES IN COMMON TRENCHES WHEN PRACTICAL. INSTALLATION OF PIPELINES AT RIGHT ANGLES TO WATER BODIES (DRAINAGES, WETLANDS, PERENNIAL WATER BODIES) WHERE PRACTICAL.
Construction	ACCESS ROAD, WELL PAD AND PIT DISTURBANCES MINIMIZED. SOILS SEGREGATED BY TYPE TO FACILITATE RECLAMATION. STORM WATER CONTROLS DEPLOYED AND ROUTINELY INSPECTED.
Wildlife	DEVELOPMENT AND IMPLEMENTATION OF A WILDLIFE MANAGEMENT PLAN IF PROTECTED SPECIES ARE PRESENT.
Material Handling and Spill Prevention	DURING DRILLING/COMPLETION OPERATIONS, STORAGE AREAS GRADED TOWARDS PIT. DURING PRODUCTION OPERATIONS, IMPLEMENTATION OF SPILL PREVENTION, CONTROL AND COUNTERMEASURE PLAN & DAILY INSPECTION. ALL STOCK AND PRODUCED WATER TANKS HAVE SECONDARY CONTAINMENT.

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Storm Water/Erosion Control	DURING DRILLING/COMPLETION OPERATIONS, IMPLEMENTATION OF STORM WATER POLLUTION PREVENTION PLAN. FOLLOWING DRILLING/COMPLETION OPERATIONS, PROMPT RECLAMATION OF DISTURBED AREAS. DURING PRODUCTION OPERATIONS, IMPLEMENTATION OF MDC'S POST CONSTRUCTION STORM WATER MANAGEMENT PROGRAM.
Pre-Construction	PREPARATION OF A STORM WATER POLLUTION PREVENTION PLAN. ACQUISITION OF A STORM WATER DISCHARGE PERMIT. CONSULTATION WITH THE SURFACE LANDOWNER OR APPOINTED AGENT. FINALIZE ACCESS ROUTES. FINALIZE WELL PAD LOCATION TO MINIMIZE SURFACE GRADE IMPACTS. FINALIZE WELL PAD LAYOUT TO MINIMIZE DISTURBANCES. DEVELOP WILDLIFE MANAGEMENT PLAN IF PROTECTED SPECIES ARE PRESENT.
Planning	CONDUCT INITIAL SITE ASSESSMENT: IDENTIFICATION OF NEARBY WATER BODIES. IDENTIFICATION OF VEGETATION TYPES. IDENTIFICATION OF PROTECTED WILDLIFE SPECIES. IDENTIFICATION OF POTENTIAL ACCESS ROUTES TO MINIMIZE DISTURBANCES. IDENTIFICATION OF NEARBY IMPROVEMENTS.
Final Reclamation	ALL EQUIPMENT AND DEBRIS REMOVED. ALL REMAIING DISTURBED AREAS, INCLUDING ACCESS ROADS, RECLAIMED. NOXIOUS WEED CONTROL PLAN DEVELOPED, IF APPROPRIATE.
General Housekeeping	DRILLING AND PRODUCTION OPERATIONS CONDUCTED IN SAFE, WORKMANLIKE MANNER. SAFETY EXPECTATIONS INCLUDE GOOD HOUSEKEEPING. DURING DRILLING/COMPLETION OPERATIONS, DEBRIS STORED IN CAGED CONTAINER WHICH IS REMOVED FROM THE SITE. DURING PRODUCTION OPERATIONS, THE LEASE IS INSPECTED DAILY BY MDC PERSONNEL.

Total: 10 comment(s)