

<b>FORM</b> <b>2</b> Rev 12/05	State of Colorado <b>Oil and Gas Conservation Commission</b> 1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:25%;">DE</td> <td style="width:25%;">ET</td> <td style="width:25%;">OE</td> <td style="width:25%;">ES</td> </tr> </table>	DE	ET	OE	ES
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**APPLICATION FOR PERMIT TO:**

1.  **Drill,**       Deepen,       Re-enter,       Recomplete and Operate

2. TYPE OF WELL

OIL       GAS       COALBED       OTHER \_\_\_\_\_  
 SINGLE ZONE       MULTIPLE ZONE       COMMINGLE ZONE

Refiling   
 Sidetrack

Document Number:

400165699

Plugging Bond Surety

20090133

3. Name of Operator: MINERAL RESOURCES, INC.      4. COGCC Operator Number: 57667

5. Address: PO BOX 328  
 City: GREELEY      State: CO      Zip: 80632

6. Contact Name: Collin Richardson      Phone: (970)352-9446      Fax: (800)850-9334  
 Email: collin@mineralresourcesinc.com

7. Well Name: Westfork      Well Number: 1-1-22

8. Unit Name (if appl): \_\_\_\_\_      Unit Number: \_\_\_\_\_

9. Proposed Total Measured Depth: 8600

**WELL LOCATION INFORMATION**

10. QtrQtr: NWSE      Sec: 22      Twp: 5N      Rng: 66W      Meridian: 6

Latitude: 40.384350      Longitude: -104.764860

Footage at Surface:      2388 feet      FSL      2409 feet      FEL  
FNL/FSL      FEL/FWL

11. Field Name: Wattenberg      Field Number: 90750

12. Ground Elevation: 4806      13. County: WELD

14. GPS Data:

Date of Measurement: 04/29/2011      PDOP Reading: 1.4      Instrument Operator's Name: Z. Waddle

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  
660      FNL      654      FWL      660      FNL      654      FWL  
 Sec: 22      Twp: 5N      Rng: 66W      Sec: 22      Twp: 5N      Rng: 66W

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: 316 ft

18. Distance to nearest property line: 197 ft      19. Distance to nearest well permitted/completed in the same formation: 662 ft

**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.)
J Sand	JSND	232-23	320	N/2
Niobrara-Codell	NB-CD	407-87	160	NW/4

**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#: \_\_\_\_\_

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):  
N/2 of Section 22, Township 5 North, Range 66 West, 6th PM, County of Weld, State of Colorado.

25. Distance to Nearest Mineral Lease Line: 654 ft 26. Total Acres in Lease: 320

**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+5/8	8+5/8	24	0	560	300	560	0
1ST	7+7/8	4+1/2	11.6	0	8,600	284	8,600	7,463

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

33. Comments No conductor casing will be set.

34. Location ID: 423341

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: Dan Hull

Title: Senior Project Manager Date: 6/17/2011 Email: dan.hull@LRA-inc.com

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. Neslin Director of COGCC Date: 7/15/2011

**API NUMBER**  
05 123 33967 00

Permit Number: \_\_\_\_\_ Expiration Date: 7/14/2013

**CONDITIONS OF APPROVAL, IF ANY:** \_\_\_\_\_

**IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.**

**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. Note surface casing setting depth change from 500' to 560'. Increase cement coverage accordingly and cement to surface. Provide 24 hour notice of MIRU to Bo Brown at e-mail bo.brown@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 Shannon. Verify coverage with cement bond log. 4) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.
3. At least two weeks prior to spud notice, the centralizer and cementing plans shall be submitted to the COGCC for review on a Form 4, Sundry Notice.
4. At least one well on the pad must have a complete set of open hole logs (Compensated Neutron, Dual Induction, Resistivity etc.) run from TD to surface and submitted to the COGCC.
5. Four hours prior to running any casing, notification shall be provided to Bo Brown, COGCC Field Inspector at 970-397-4124.
6. Bradenhead pressures shall be taken 6, 12, 24 and 48 hrs after cementing production casing and prior to stimulation of the well. Once stimulation is complete, the bradenhead pressure shall be recorded at 24 hrs, 48 hrs and at one week post-stimulation. Bradenhead pressures greater than 100 psi must be immediately reported on a Form 17 to the COGCC, sent to the attention of Diana Burn.
7. All bradenhead pressures shall be monitored with a gauge that has a maximum reading of one thousand pounds per square inch (psi).
8. Circulation prior to cementing shall be done to accepted industry standards.

**Attachment Check List**

Att Doc Num	Name
1694164	EXCEPTION LOC REQUEST
400165699	FORM 2 SUBMITTED
400174024	OIL & GAS LEASE
400174025	OIL & GAS LEASE
400174026	SURFACE AGRMT/SURETY
400174027	WELL LOCATION PLAT
400175598	DEVIATED DRILLING PLAN

Total Attach: 7 Files

**General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>
Permit	Received a corrected spacing order for the J Sand. Changed to - 232-23 spacing order, 320 Unit Acre, and N/2 Unit config.	6/29/2011 10:23:40 AM
Permit	Requesting a corrected spacing order for the J Sand.	6/28/2011 11:07:54 AM
Permit	Received Exception Location Request letter.	6/28/2011 9:34:35 AM
Permit	The reference point is a rebar permanently set 300' north of the surface location of the first well on this pad.	6/27/2011 3:46:37 PM

Total: 4 comment(s)

**BMP**

<b><u>Type</u></b>	<b><u>Comment</u></b>
Drilling/Completion Operations	Closed loop system will be used for drilling fluids.

Total: 1 comment(s)