

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):

ALL SECTION 3-T18S-R45W, N/2 33-T17S-R45W, NE/4 35-T17S-R45W & SW/4 35-T17S-R45W, 6TH P.M. KIOWA COUNTY, COLORADO

25. Distance to Nearest Mineral Lease Line: 660 ft 26. Total Acres in Lease: 1280

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: BACKFILL WHEN DRY

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	200	300	0
1ST	7+7/8	5+1/2	15.5	0	5,000	250	5,000	3,500
			Stage Tool	0	2,300	300	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: 6/30/2011 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. Neslin Director of COGCC Date: 8/17/2011

API NUMBER

05 061 06864 00

Permit Number: _____ Expiration Date: 8/16/2013

CONDITIONS OF APPROVAL, IF ANY:

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 minimum cement requirements are: at least 200' above the shallowest completed interval and stage cement Cheyenne & Dakota zones (1510' – 950' 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 St. Louis, 40 sks cement 50' above the Marmaton, 40 sks cement across any DST w/ show, 40 sks cement 50' below base of Cheyenne (1510' up), 40 sks cement 50' above top of the Dakota (950' 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
400180583	FORM 2 SUBMITTED
400180980	WELL LOCATION PLAT
400180982	TOPO MAP
400180984	30 DAY NOTICE LETTER

Total Attach: 4 Files

General Comments

User Group	Comment	Comment Date
Permit	Latitude value changed to reflect value on survey plat. BY	3/5/2011 8:13:17 AM

Total: 1 comment(s)

BMP

Type	Comment
Pre-Construction	<p>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.</p>
Site Specific	<p>MULL DRILLING COMPANY, INC. (MDC) CONDUCTS ITS EXPLORATION AND PRODUCTION OPERATIONS IN ACCORDANCE WITH APPLICABLE FEDERAL, STATE AND LOCAL REGULATIONS. IN ADDITION, MDC WILL IMPLEMENT THE FOLLOWING BEST MANAGEMENT PRACTICES AT THE APC-TALLMAN #3-3.</p>
General Housekeeping	<p>DRILLING AND PRODUCTION OPERATIONS CONDUCTED IN SAFE, WORKMANLIKE MANNER. SAFETY EXPECTATIONS INCLUDE GOOD HOUSEKEEPING. DURING DRILLING/COMPLETION OPERATIONS, PROMPT RECLAMATION OF DISTURBED AREAS. DURING PRODUCTION OPERATIONS, IMPLEMENTATION OF MDC'S POST CONSTRUCTION STORM WATER MANAGEMENT PROGRAM.</p>
Planning	<p>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.</p>
Interim Reclamation	<p>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.</p>

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.
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 SEPARATORS. INSTALLATION OF PIPELINES IN COMMON TRENCHES, WHEN PRACTICAL. INSTALLATION OF PIPELINES AT RIGHT ANGLES TO WATER BODIES (DRAINAGES, WETLANDS, PERENNIAL WATER BODIES) WHERE PRACTICAL.
Final Reclamation	ALL EQUIPMENT AND DEBRIS REMOVED. ALL REMAINING DISTURBED AREAS, INCLUDING ACCESS ROADS, RECLAIMED. NOXIOUS WEED CONTROL PLAN DEVELOPED, IF APPROPRIATE.
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.

Total: 11 comment(s)