

FORM
2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



| | | | |
|-----------------------------------|----|----|----|
| DE | ET | OE | ES |
| Document Number: 400187584 | | | |
| PluggingBond SuretyID 20090133 | | | |

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☒ GAS ☐ COALBED ☐ OTHER _____
SINGLE ZONE ☐ MULTIPLE ☒ COMMINGLE ☒

Refilling ☐
Sidetrack ☐

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: Pheasant 5 Well Number: 2-2-2
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 8445

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 2 Twp: 5N Rng: 66W Meridian: 6
Latitude: 40.431440 Longitude: -104.739460
Footage at Surface: 2169 feet FNL/FSL FNL 1243 feet FEL/FWL FEL
11. Field Name: Wattenberg Field Number: 90750
12. Ground Elevation: 4699 13. County: WELD

14. GPS Data:

Date of Measurement: 04/29/2011 PDOP Reading: 1.6 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 1516 FNL 1378 FWL 1516 FNL 1378 FWL
Bottom Hole: FNL/FSL 1516 FNL 1378 FWL
Sec: 2 Twp: 5N Rng: 66W Sec: 2 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: 339 ft
18. Distance to nearest property line: 276 19. Distance to nearest well permitted/completed in the same formation(BHL): 3313 ft

20. 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 | Unspaced | 160 | NW/4 |
| Niobrara-Codell | NB-CD | 407-87 | 160 | NW/4 |

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):

See attached oil and gas lease map.

25. Distance to Nearest Mineral Lease Line: 1378 ft

26. Total Acres in Lease: 138

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+1/4 | 8+5/8 | 24 | 0 | 440 | 264 | 440 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 8,445 | 330 | 8,445 | 7,125 |

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

33. Comments No conductor casing will be set.

34. Location ID: 423325

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: _____ 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: _____ Director of COGCC Date: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400211969 | EXCEPTION LOC REQUEST |
| 400211970 | LEASE MAP |
| 400211972 | SURFACE AGRMT/SURETY |
| 400211973 | DEVIATED DRILLING PLAN |
| 400211974 | OIL & GAS LEASE |
| 400212868 | WELL LOCATION PLAT |

Total Attach: 6 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | |

Total: 0 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------------------|--|
| Drilling/Completion Operations | A closed loop system will be used for drilling fluids. |

Total: 1 comment(s)