

APPLICATION FOR PERMIT TO:

Document Number:
 400187490
 PluggingBond SuretyID
 20090133

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

2. TYPE OF WELL
 OIL GAS COALBED OTHER _____
 SINGLE ZONE MULTIPLE COMMINGLE
 Refiling
 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: Ditch Well Number: 5-1-2
 8. Unit Name (if appl): _____ Unit Number: _____
 9. Proposed Total Measured Depth: 8071

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 2 Twp: 5N Rng: 66W Meridian: 6
 Latitude: 40.431460 Longitude: -104.739280
 Footage at Surface: 2162 feet FNL 1193 feet FEL
 11. Field Name: Wattenberg Field Number: 90750
 12. Ground Elevation: 4698 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: 698 FNL 2050 FEL Bottom Hole: 698 FNL 2050 FEL
 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: 338 ft
 18. Distance to nearest property line: 227 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 3341 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	Unspaced	160	NE/4
Niobrara-Codell	NB-CD	407-87	160	NE/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: 698 ft 26. Total Acres in Lease: 51

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	8,071	328	8,071	6,760

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: 10/7/2011 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: _____ 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
400187490	FORM 2 SUBMITTED
400211837	SURFACE AGRMT/SURETY
400211839	DEVIATED DRILLING PLAN
400211840	OIL & GAS LEASE
400211841	LEASE MAP
400211843	EXCEPTION LOC REQUEST
400212852	WELL LOCATION PLAT

Total Attach: 7 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)