

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL GAS COALBED OTHER _____

SINGLE ZONE MULTIPLE COMMINGLE

Refiling
Sidetrack

Document Number:
2588797

PluggingBond SuretyID
20090066

3. Name of Operator: MOUNTAIN PETROLEUM CORP 4. COGCC Operator Number: 60890

5. Address: 1801 BROADWAY STE 1250
City: DENVER State: CO Zip: 80202

6. Contact Name: STEVE MATRE Phone: (303)296-1500 Fax: (303)296-2029
Email: ZANEKUENZLER@KFCRCORP.COM

7. Well Name: STEGAS 34-15 Well Number: #2

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 6600

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 15 Twp: 11S Rng: 53W Meridian: 6
Latitude: 39.083590 Longitude: -103.318630

Footage at Surface: 702 feet FSL 1719 feet FEL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 4963.09 13. County: LINCOLN

14. GPS Data:
Date of Measurement: 09/21/2011 PDOP Reading: 2.9 Instrument Operator's Name: KEITH WESTFALL

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 _____

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

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: 1 mi

18. Distance to nearest property line: 702 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 7 mi

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.)
CHEROKEE	CHRK			
LANSING	LGKC			
MARMATON	MRTN			

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#: 19960089

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):

E/2, SEC 15, 11S 53W 6 PM

25. Distance to Nearest Mineral Lease Line: 702 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: EVAPORITE PIT

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	529	310	529	0
1ST	7+7/8	4+1/2		10	6,500	244	6,500	5,500
			Stage Tool		3,800	122	3,800	3,100

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

33. Comments REENTRY FORM 4 DOC 258802

34. Location ID: 387162

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: ZANE KUENZLER

Title: PETRO ENGINEER DESIGNATED Date: 9/30/2011 Email: ZANEKUENZLER@KFRCCORP.

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: 10/31/2011

API NUMBER

05 073 06278 00

Permit Number: _____ Expiration Date: 10/30/2013

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 provide cement coverage to at least 200' above the shallowest completed interval or Cherokee, whichever is shallower and stage cement Cheyenne/Dakota (3800'-3100'). Run and submit CBL to verify cemented intervals.
- 3) If well is a dry hole set plugs at the following depths: 40 sks cement +/- 50' above the Cherokee, 40 sks cement across any DST w/ show, 40 sks cement 100' below Cheyenne (3800' up), 40 sks cement 50' above top of Dakota (3100' up), 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface casing, cut 4 ft below GL, weld on plate, 5 sks cement each in rat hole and mouse hole.

Attachment Check List

Att Doc Num	Name
2508047	SURFACE CASING CHECK
2588797	APD ORIGINAL
2588798	WELL LOCATION PLAT
2588799	TOPO MAP
2588800	MINERAL LEASE MAP
2588801	30 DAY NOTICE LETTER

Total Attach: 6 Files

General Comments

User Group	Comment	Comment Date
Permit	Final review passed 10/31/2011 NKP	10/31/2011 10:18:01 AM
Permit	Distance to nearest building, public road and above ground utility revised to greater than 1 mile to be consistent with Form 2A and the 2009 aerial photo. 10/31/2011 NKP	10/31/2011 9:49:44 AM
Permit	Missing field name and number, surface bond number. Input the information with a Verbal from Zane.	10/3/2011 2:35:07 PM

Total: 3 comment(s)

BMP

Type	Comment

Total: 0 comment(s)