

State of Colorado
Oil and Gas Conservation Commission

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



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Document Number:

400187557

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 ☒

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: Ruyle Well Number: 7-3-2
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 7844

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 2 Twp: 5N Rng: 66W Meridian: 6
Latitude: 40.431420 Longitude: -104.739280

			FNL/FSL			FEL/FWL
Footage at Surface:	2178	feet	FNL	1192	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:				FNL/FSL	FEL/FWL	Bottom Hole:				FNL/FSL	FEL/FWL
<u>2036</u>		<u>FNL</u>		<u>695</u>	<u>FEL</u>	<u>2036</u>		<u>FNL</u>		<u>695</u>	<u>FEL</u>
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: 531 ft

18. Distance to nearest property line: 227 ft 19. Distance to nearest well permitted/completed in the same formation(BHL):1000 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	40	SE/NE4
Niobrara-Codell	NB-CD	381-5	80	E/2 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: 695 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	7,844	321	7,844	6,560

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: David S. Nesline Director of COGCC Date: 11/1/2011

API NUMBER

05 123 34641 00

Permit Number: _____ Expiration Date: 10/31/2013

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.

Water sampling required. Corrected feet to nearest well permitted...Opr notified.

- 1)Provide 24 hour notice of MIRU to Jim Precup via e-mail at jim.precup@state.co.us.
- 2)Comply with Rule 317.i and provide cement coverage from the end of the production casing to a minimum of 200' above the Niobrara. Verify coverage with a cement bond log.
- 3)Comply with Rule 321. Run and submit Directional Survey from the end of production casing to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.
- 4)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.
- 5)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.
- 6)Four hours prior to running any casing, notification shall be provided to Ryan Hollinshead, COGCC Engineer at 303-894-2100 x5134.
- 7)Bradenhead pressures shall be taken 6, 12, 24 and 48 hours after cementing production casing and prior to stimulation of the well. Once stimulation is complete, the bradenhead pressure shall be recorded at 24 hours, at 48 hours 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 Ryan Hollinshead.
- 8)All bradenhead pressures shall be monitored with a gauge that has a maximum reading of one thousand pounds per square inch (psi).
- 9)Circulation prior to cementing shall be done to accepted industry standards.

Attachment Check List

Att Doc Num	Name
2481226	SURFACE CASING CHECK
400187557	FORM 2 SUBMITTED
400211854	LEASE MAP
400211857	DEVIATED DRILLING PLAN
400211861	OIL & GAS LEASE
400211875	SURFACE AGRMT/SURETY
400211876	EXCEPTION LOC REQUEST
400212857	WELL LOCATION PLAT

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete	11/1/2011 8:49:47 AM
Permit	Corrected spacing as per Collin. Ready to pass pending public comment 11/1/11	10/18/2011 4:38:54 PM

Total: 2 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)