

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):

LOT 1 (NW/4 NW/4), LOT 2 (SW/4 NW/4), NW/4 NE/4 AND NE/4 NW/4 SECTION 31-T18S-R45W, 6TH P.M.

25. Distance to Nearest Mineral Lease Line: 605 ft 26. Total Acres in Lease: 177

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: DRY AND BURY

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: 10/12/2011 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. Nesline Director of COGCC Date: 11/15/2011

API NUMBER

05 061 06867 00

Permit Number: _____ Expiration Date: 11/14/2013

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 cement from TD to 200' above shallowest completed interval or 200' above Marmaton, whichever is shallower, and stage cement Cheyenne & Dakota interval (1300' – 700' minimum). Proposed casing/cement is acceptable. Verify with CBL.
- 3) If well is a dry hole set the following plugs: 40 sks cement 50' above the Mississippian, 40 sks cement 50' above the Marmaton, 40 sks cement across any DST w/ show, 40 sks cement 50' below base of Cheyenne (1300' up), 40 sks cement 50' above top of the Dakota (700' 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
2508305	SURFACE CASING CHECK
400213644	FORM 2 SUBMITTED
400213748	WELL LOCATION PLAT
400213750	TOPO MAP
400213753	30 DAY NOTICE LETTER

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review passed 11/15/2011 NKP	11/15/2011 7:59:27 AM
Permit	Operator corrected errors. Form has passed completeness.	10/12/2011 12:13:54 PM
Permit	Returned to draft. Mineral lease does not cover wellbore. Surface and minerals info.	10/12/2011 10:58:52 AM

Total: 3 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Construction	ACCESS ROAD, WELL PAD AND PIT DISTURBANCES MINIMIZED. SOILS SEGREGATED BY TYPE TO FACILITATE RECLAMATION. STORM WATER CONTROLS DEPLOYED AND ROUTINELY INSPECTED.
General Housekeeping	DRILLING AND PRODUCTION OPERATIONS CONDUCTED IN SAFE, WORKMANLIKE MANNER. SAFETY EXPECTATIONS INCLUDE GOOD HOUSEKEEPING. DURING DRILLING/COMPLETION OPERATIONS, DEBRIS STORED IN CAGED CONTAINER WHICH IS REMOVED FROM THE SITE. DURING PRODUCTION OPERATIONS, THE LEASE IS INSPECTED DAILY BY MDC PERSONNEL.
Drilling/Completion Operations	INCLUDES STRUCTURAL PRACTICES: 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.
Site Specific	MDC WILL CONSTRUCT A BERM OR DIVERSION DIKE, SITE GRADING, OR OTHER COMPARABLE MEASURES, SUFFICIENT TO PROTECT THE STREAM LOCATED 812' EAST OF THE OIL AND GAS LOCATION FROM A RELEASE OF DRILLING, COMPLETION, PRODUCED FLUIDS, AND CHEMICAL PRODUCTS.

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.
Wildlife	DEVELOPMENT AND IMPLEMENTATION OF A WILDLIFE MANAGEMENT, IF PROTECTED SPECIES ARE PRESENT.
Interim Reclamation	DEBRIS AND WASTE MATERIAL REMOVED. AREAS NOT IN USE RECLAIMED PROMPTLY; PITS CLOSED USING SEGREGATED MATERIAL; WELL PAD AND OTHER COMPACTED SURFACES RIPPED. NOXIOUS WELLS CONTROLLED.
Final Reclamation	ALL EQUIPMENT AND DEBRIS REMOVED. ALL REMAINING DISTURBED AREAS, INCLUDING ACCESS ROADS, RECLAIMED. NOXIOUS WELL CONTROL PLAN DEVELOPED, IF APPROPRIATE.
Pre-Construction	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.
Planning	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.
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.

Total: 11 comment(s)