

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



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Document Number:

400212579

PluggingBond SuretyID

20110150

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: ULTRA RESOURCES INC

4. COGCC Operator Number: 10375

5. Address: 304 INVERNESS WAY SOUTH #295

City: ENGLEWOOD State: CO Zip: 80112

6. Contact Name: Debbie Ghani Phone: (303)645-9810 Fax: (303)708-9748

Email: dghani@ultrapetroleum.com

7. Well Name: SPINACH STATE 41-10

Well Number: 1V

8. Unit Name (if appl): SPINACH

Unit Number: pending

9. Proposed Total Measured Depth: 5545

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 10 Twp: 16S Rng: 63W Meridian: 6

Latitude: 38.678154

Longitude: -104.426207

Footage at Surface: 660 feet FNL 1025 feet FEL

11. Field Name: WILDCAT

Field Number: 99999

12. Ground Elevation: 5538

13. County: EL PASO

14. GPS Data:

Date of Measurement: 09/10/2011 PDOP Reading: 2.2 Instrument Operator's Name: BEN MILIUS

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: 5280 ft

18. Distance to nearest property line: 880 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 3367 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.)
CODELL	CODL		640	SEE STATE UNIT MAP
GREENHORN	GRNHN		640	SEE STATE UNIT MAP
NIOBRARA	NBRR		640	SEE STATE UNIT MAP

21. Mineral Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian Lease #: 9883.9

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):

All of Section 10, Township 16 South, Range 63 West

25. Distance to Nearest Mineral Lease Line: 660 ft

26. Total Acres in Lease: 640

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: County landfill

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
CONDUCTOR	24	16	65	0	120	180	120	0
SURF	12+1/4	8+5/8	24	0	370	160	370	0
1ST	7+7/8	5+1/2	17	0	5,545	380	5,545	2,500

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

33. Comments Ultra's phased development plan includes Phase I – a small pad for one vertical well. Based on the results of this pilot well, Phase II would include a larger pad for eight horizontal wells.

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: Debbie Ghani

Title: Permitting Coordinator Date: 10/6/2011 Email: dghani@ultrapetroleum.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: 11/20/2011

API NUMBER

05 041 06066 00

Permit Number: _____ Expiration Date: 11/19/2013

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 Mike Leonard at 719-647-9715 or e-mail at mike.leonard@ state.co.us.
- 2) Set at least 370' of surface casing per Rule 317A, cement to surface.
- 3) If production casing is set provide cement coverage to at least 200' above shallowest completed interval or 200' above NBRR, whichever is shallower. Verify coverage with cement bond log.
- 4) If well is a dry hole set plugs at the following depths: 40 sks cement 50' above the Niobrara, 40 sks cement above any DST w/ show, 50 sks cement from 50' below surface casing shoe up into surface casing, 10 sks cement in top of surface csg, cut 4 ft below GL, weld on plate, 5 sks cement in rat hole and mouse hole.

Attachment Check List

Att Doc Num	Name
2508312	SURFACE CASING CHECK
400212579	FORM 2 SUBMITTED
400212587	PLAT
400212589	TOPO MAP
400212590	UNIT CONFIGURATION MAP

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review passed 11/14/2011.	11/14/2011 9:26:21 AM
Permit	Per D. Ghani 11/8/2011 The nearest well permitted in the same formation is 3367 feet away.	11/8/2011 10:06:02 AM
Permit	Email to opr 11/8/2011: Distance to nearest oil & gas well is reported as 3998, however it appears that the nearest permitted location is 3367 feet away. Please verify. NKP	11/8/2011 8:21:53 AM
Permit	Per T. Kelly State Land Board, Ultra Resources is properly bonded for this location and SLB has no comments on this application. 11/7/2011	11/7/2011 2:14:35 PM
Permit	Email to T. Kelly State Land Board requesting confirmation of state bond. 11/2/2011 NKP	11/7/2011 2:13:43 PM
Permit	Per D. Ghani 11/1/2011 Distance to nearest property boundary is 880 feet.	11/1/2011 2:44:19 PM
Permit	Email to opr 11/1/2011. Distance to nearest property boundary appears to be closer than 1737 feet. Please verify. NKP	11/1/2011 9:43:42 AM

Total: 7 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)