

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

2288682

Date Received:

05/22/2012

PluggingBond SuretyID

20090104

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: PROSPECT ENERGY LLC4. COGCC Operator Number: 103125. Address: 1600 STOUT ST STE 1710City: DENVER State: CO Zip: 802026. Contact Name: JAMES T. BRUMLEY II Phone: (303)973-3228 Fax: (303)347-4893Email: JBRUMLEY@BDMINERALS.COM7. Well Name: KIIX Well Number: 1

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

9. Proposed Total Measured Depth: 6177

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 19 Twp: 8N Rng: 68W Meridian: 6Latitude: 40.649459 Longitude: -105.050185

Footage at Surface: 1622 feet FNL 1894 feet FNL/FSL FWL

11. Field Name: FORT COLLINS Field Number: 2510012. Ground Elevation: 5133 13. County: LARIMER

14. GPS Data:

Date of Measurement: 09/15/2010 PDOP Reading: 2.5 Instrument Operator's Name: JAKE BELL15. 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 ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 335 ft18. Distance to nearest property line: 312 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 388 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.)
MUDDY SANDSTONE	MDDY	84-2		

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#: 2009010523a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☐ Yes ☒ No23b. 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 LEASE MAP

25. Distance to Nearest Mineral Lease Line: 335 ft

26. Total Acres in Lease: 105

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: EVAPORATION/BACKFILL

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	650	300	650	0
1ST	7+7/8	5+1/2	15.5	0	6,250	450	6,250	3,800

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

33. Comments SUBMITTED FOR REGULATORY COMPLIANCE. RECOMPLETE FORM 4 DOC#2288684

34. Location ID: 307210

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: MARY C. GRIGGS

Title: ENV/REG COMPLIANCE Date: 5/23/2012 Email: MGRIGGS@BDMINERALS.CO

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: 7/22/2012

API NUMBER

05 069 06332 00

Permit Number: _____ Expiration Date: 7/21/2014

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
2288682	FORM 2 SUBMITTED
2288683	MINERAL LEASE MAP

Total Attach: 2 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	6/21/2012 2:03:35 PM
Permit	Work already completed in 10/20/2005. Documents were requested by Engineering to clean up the file. ok to pass.	6/15/2012 3:49:01 PM
Permit	ON HOLD: w/o WBD. Form 4 Doc # 2288684. Added plugging bond.	3/8/2012 1:32:05 PM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)