

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:

2288679

Date Received:

05/23/2012

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 LLC

4. COGCC Operator Number: 10312

5. Address: 1600 STOUT ST STE 1710

City: DENVER State: CO Zip: 80202

6. Contact Name: JAMES T. BRUMLEY II Phone: (303)973-3228 Fax: (303)346-4893

Email: JBRUMLEY@BDMINERALS.COM

7. Well Name: COMMUNITY Well Number: 7

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

9. Proposed Total Measured Depth: 6507

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 18 Twp: 8N Rng: 68W Meridian: 6

Latitude: 40.656255 Longitude: -105.041223

Footage at Surface: 897 feet FNL/FSL 749 feet FEL/FWL FEL

11. Field Name: FORT COLLINS Field Number: 25100

12. Ground Elevation: 5142 13. County: LARIMER

14. GPS Data:

Date of Measurement: 09/14/2010 PDOP Reading: 2.1 Instrument Operator's Name: KRISTI MCREDMOND

15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1417 FNL 702 FEL 2010 FNL 640 FEL
Sec: 18 Twp: 8N Rng: 68W Sec: 18 Twp: 8N Rng: 68W

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: 200 ft

18. Distance to nearest property line: 108 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 60 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 ☐ Indian

23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#: 20090105

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 LEASE MAP.

25. Distance to Nearest Mineral Lease Line: 640 ft

26. Total Acres in Lease: 400

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	11	8+5/8	24	0	750	400	750	0
1ST	7+7/8	5+1/2	17	0	6,500	750	6,500	1,200

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

33. Comments SUBMITTED FOR REGULATORY COMPLIANCE. RECOMPLETE FORM 4 DOC #2288681.

34. Location ID: 307059

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: REG/ENV COMPLIANCE Date: 5/22/2012 Email: JBRUMLEY@BDMINERALS.C

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 06400 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
2288679	FORM 2 SUBMITTED
2288680	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 2:01:45 PM
Permit	Work already completed in 04/06/2011. Documents were requested by Engineering to clean up the file. ok to pass.	6/15/2012 3:50:26 PM
Permit	ON HOLD: w/o WBD. form 4 Doc # 2288681. Added plugging bond #.	3/8/2012 1:34:32 PM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)