

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:

2516404

Date Received:

12/21/2012

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

PluggingBond SuretyID

20120060

3. Name of Operator: PRONGHORN OPERATING LLC

4. COGCC Operator Number: 10422

5. Address: 8400 E PRENTICE AVENUE #1000

City: GREENWOOD VILLAGE State: CO Zip: 80111

6. Contact Name: ZANE KUENZLER Phone: (720)261-2019 Fax: (303)220-0795

Email: ZANEKUENZLER@KFCORP.COM

7. Well Name: MOLLY BROWN Well Number: 1

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

9. Proposed Total Measured Depth: 6000

WELL LOCATION INFORMATION

10. QtrQtr: SEnw Sec: 10 Twp: 13s Rng: 46w Meridian: 6

Latitude: 38.934870 Longitude: -102.550260

Footage at Surface: 2036 feet FNL/FSL FNL 1771 feet FEL/FWL FWL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 4528 13. County: CHEYENNE

14. GPS Data:

Date of Measurement: 10/18/2012 PDOP Reading: 3.2 Instrument Operator's Name: KEITH WESTFALL

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: 3187 ft

18. Distance to nearest property line: 1778 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1434 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| LANSING KANSAS CITY | LGKC | | | |
| MARMATON | MRTN | | | |
| MISSISSIPPIAN | MSSP | | | |
| SHAWNEE | SHWNE | | | |

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#: 20120121
 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: SECTION 10, T13S R46W, 6TH PM, CHEYENNE COUNTY, COLORADO
 25. Distance to Nearest Mineral Lease Line: 1778 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: MUD DRIED AND BURIED
 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 | 450 | 250 | 450 | 0 |
| 1ST | 7+7/8 | 5+1/2 | 15.5 | 0 | 6,000 | 100 | 6,000 | 5,250 |
| S.C. 1.1 | | | | | 4,600 | 100 | 4,600 | 3,900 |
| | | | Stage Tool | | 2,790 | 100 | 2,790 | 2,110 |

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None
 33. Comments Two stage tools will be used; one to isolate the Shawnee formation and one to protect the Cheyenne/Dakota interval. No conductor to be used as surface casing will be cemented to surface.

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: ZANE KUENZLER
 Title: PRESIDENT Date: 11/30/2012 Email: ZANEKUENZLER@KFRCORP.

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: Matthew Lee Director of COGCC Date: 1/24/2013

API NUMBER
 05 017 07737 00

Permit Number: _____ Expiration Date: 1/23/2015

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 48 hour notice prior to spud via electronic Form 42.
- 2) If production casing is set provide cement coverage to at least 200' above the shallowest completed interval and stage cement Cheyenne/Dakota (2790'-2110' minimum). Run and submit CBL to verify cemented intervals.
- 3) If well is a dry hole set plugs at the following depths: 40 sks cement +/- 50' above the Mississippian, 40 sks cement +/- 50' above the Pennsylvanian, 40 sks cement across any DST w/ show, 40 sks cement at 2790' up, 40 sks cement at 2110' up, 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface casing, cut 4 ft below GL, weld on plate, 5 sks cement each in rat hole and mouse hole.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

| Att Doc Num | Name |
|-------------|----------------------|
| 2485069 | SURFACE CASING CHECK |
| 2516404 | FORM 2 SUBMITTED |
| 2516405 | WELL LOCATION PLAT |
| 2516406 | WELL LOCATION PLAT |
| 2516407 | TOPO MAP |
| 2516408 | MINERAL LEASE MAP |
| 2516409 | 30 DAY NOTICE LETTER |
| 2516410 | CONSULT NOTICE |
| 2516411 | LOCATION DRAWING |

Total Attach: 9 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|---|---------------------------|
| Permit | Final review completed; no LGD or public comment received. | 1/23/2013 3:17:21 PM |
| Permit | The consultation form is unsigned. | 12/31/2012 6:24:53 AM |
| Permit | Distance to another well changed to the distance to the planned Baby Doe #1. | 12/31/2012 6:18:37 AM |
| Permit | operator provided corrections and authorization for amend form 2. This form passed completeness. from: Zane Kuenzler via yahoo.com to: "Reckles - DNR, Nikki" date: Thu, Dec 27, 2012 at 1:13 AM subject: Re: RTD: Document No. 2516404 | 12/30/2012 10:58:37 PM |
| Permit | Return to draft: 1. plugging bond surety # is incomplete, 2. conductor casing information is incomplete; if no conductor casing is used this must be noted in operator comments. Note: added stage tool under csg/lin top in casing section. | 12/26/2012 11:15:54 PM |
| Data Entry | CASING: CHECK STRING NAMES. NAME CANNOT BE DUPLICATED. STAGE CEMENT 1ST STRING ENTERED FOR SUBMISSION. | 12/24/2012 12:05:14 PM |

Total: 6 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|-------------|----------------|
| | |

Total: 0 comment(s)