

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:

2516353

Date Received:

12/21/2012

PluggingBond SuretyID

20120060

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: PRONGHORN OPERATING LLC

4. COGCC Operator Number: 10422

5. Address: 8400 E PRENTICE AVENUE #1000

City: GREENWOOD State: CO Zip: 80111
VILLAGE

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

Email: ZANEKUENZLER@KFCORP.COM

7. Well Name: SILVER HEELS Well Number: 1

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

9. Proposed Total Measured Depth: 6000

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 9 Twp: 13S Rng: 46W Meridian: 6

Latitude: 38.934770 Longitude: -102.568000

Footage at Surface: 1984 feet FNL/FSL FNL 2013 feet FEL/FWL FWL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 4589 13. County: CHEYENNE

14. GPS Data:

Date of Measurement: 10/18/2012 PDOP Reading: 2.1 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: 4585 ft

18. Distance to nearest property line: 1984 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1138 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#:

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 9, T13S R46W, 6TH PM, CHEYENNE COUNTY, COLORADO

25. Distance to Nearest Mineral Lease Line: 1984 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: Dry and burial in pit

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	1			0	4,600	100	4,600	3,900
	0		Stage Tool	0	2,850	100	2,850	2,170

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

33. Comments No conductor to be used as surface casing will be cemented to surface. Two stage tools will be used; one to isolate the Shawnee formation and one to protect the Cheyenne/Dakota interval.

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@KFRCCORP.

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: 1/30/2013

API NUMBER

05 017 07739 00

Permit Number: _____ Expiration Date: 1/29/2015

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 (2850'-2170' 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 2850' up, 40 sks cement at 2140' 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.

Rule 318a states that a well producing from the same common source cannot be less than 1200 feet apart from another well. This well is 1138 feet from the proposed Diamond Tooth #1 location. This well cannot produce oil or gas at the same time as the Diamond Tooth #1 well unless the location of the two wells (Silver Heels #1 and Diamond Tooth #1) are moved at least 1200 feet from each other.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
2485069	SURFACE CASING CHECK
2516353	FORM 2 SUBMITTED
2516354	WELL LOCATION PLAT
2516355	LOCATION DRAWING
2516356	MINERAL LEASE MAP
2516358	30 DAY NOTICE LETTER
2516359	CONSULT NOTICE
2518196	SURFACE AGRMT/SURETY

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Operator provided the SUA.	1/29/2013 11:25:23 AM
Final Review	Placed ON HOLD waiting on SUA per operator.	1/25/2013 2:41:01 PM
Final Review	changed waste disposal information per operator on Form 2A	1/25/2013 9:38:54 AM
Permit	Final review completed; no LGD or public comment received.	1/24/2013 6:27:18 AM
Permit	Consult notice/waiver is unsigned.	12/31/2012 6:52:11 AM
Permit	On hold - well is less than 1200 feet from another proposed well. Changed distance to 1138'.	12/31/2012 6:48:33 AM
Permit	operator provided corrections and authorization to amend form 2. This form passed completeness. from: Zane Kuenzler to: "Reckles - DNR, Nikki" date: Thu, Dec 27, 2012 at 1:13 AM subject: Re: RTD: Document Nos. 2516353	12/30/2012 10:39:47 PM
Permit	Return to draft: 1. plugging surety bond # is incomplete, 2. casing section indicates 2 staging tools, operator to clarify, 3. conductor casing information is incomplete; if no conductor casing is used this must be noted in operator comments.	12/24/2012 7:08:59 PM
Data Entry	CASING: SAME STRING NAMES NOT ACCEPTED BY COMPUTER - STAGE CEMENT 1ST STRING 1 ENTERED FOR SUBMISSION.	12/24/2012 9:32:54 AM

Total: 9 comment(s)

BMP

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

Total: 0 comment(s)