

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:

400376358

Date Received:

01/30/2013

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: Jake Flora Phone: (720)988-5375 Fax: ()

Email: jakeflora@kfrcorp.com

7. Well Name: Harley Well Number: 2

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

9. Proposed Total Measured Depth: 5800

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 5 Twp: 14s Rng: 44w Meridian: 6

Latitude: 38.867780 Longitude: -102.358560

Footage at Surface: 708 feet FNL/FSL FNL 1992 feet FEL/FWL FEL

11. Field Name: Cheyenne Wells Field Number: 11050

12. Ground Elevation: 4238 13. County: CHEYENNE

14. GPS Data:

Date of Measurement: 06/12/2012 PDOP Reading: 2.7 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: 708 ft

18. Distance to nearest property line: 708 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1730 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	LNSNG			
MARMATON-FT SCOTT	MRTFS			
MISSISSIPPIAN	MSSP			
TOPEKA	TOPK			

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 5, 14S, 44W, 6th PM

25. Distance to Nearest Mineral Lease Line: 708 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 & BURY

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	17+1/2	13+3/8	54	0	400	200	400	0
1ST	12+1/4	8+5/8	24	0	1,700	100	1,700	1,200
2ND	7+7/8	5+1/2	15.5	0	5,800	250	5,800	4,800
S.C. 2.1	7+7/8			0			2,250	1,650

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

33. Comments 30 Day notice is waived per the surface agreement. A port collar will be run on the 5-1/2" casing to provide stage cement coverage per the APD.

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: Jake Flora

Title: Petroleum Engineer Date: 1/30/2013 Email: jakeflora@kfrcorp.com

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: 2/26/2013

API NUMBER

05 017 07744 00

Permit Number: _____ Expiration Date: 2/25/2015

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 and cementing of all casing strings via electronic Form 42.
- 2) If production casing is set provide cement coverage to at least 200' above the shallowest completed interval or Shawnee whichever is shallower and stage cement Cheyenne/Dakota (2250'-1650' 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 Morrow, 40 sks cement +/- 50' above the Shawnee, 40 sks cement across any DST w/ show, 40 sks cement at 2250' up, 40 sks cement at 1650' 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.

Attachment Check List

Att Doc Num	Name
2485510	SURFACE CASING CHECK
400376358	FORM 2 SUBMITTED
400376367	SURFACE AGRMT/SURETY
400376368	PLAT
400376561	TOPO MAP

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	2/25/2013 2:15:40 PM
Engineer	Operator responded regarding H2S drilling operations plan: You are correct regarding the potential for >100 ppm H2S in this section, the Shawnee/Topeka formation is our secondary objective should the Mississippian not work and is capable of being sour in this area. Due to the fact the region is under pressured, there is no chance of encountering H2S at surface during drilling operations. We do however recognize the potential for H2S at surface if and when we test the Shawnee/Topeka after casing has been run (in this case the Shawnee is our 3rd objective and we hope not to test it for a long time). As such, if and when we test the Shawnee we have the crews wear H2S monitors during swabbing/well testing operations. Again, let me know if we can make this a COA directly on the Form 2- "If the Shawnee or Topeka formations are tested, during such testing all personnel on location shall wear H2S monitors during the flow back of all produced fluids"	2/12/2013 8:44:00 AM
Engineer	Added stage cement lines to cover Cynn-Dkta interval.	2/7/2013 5:02:23 PM
Engineer	On-Hold: Requested operator submit H2S drilling operations plan in accordance with Rule 607 and Notice to Operators dated April 13, 2012.	2/7/2013 5:02:10 PM
Permit	Passed completeness.	1/31/2013 1:29:47 PM
Permit	Topo map attachment will no open.	1/31/2013 6:08:22 AM

Total: 6 comment(s)

BMP

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

Total: 0 comment(s)