

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:

400383574

Date Received:

02/21/2013

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: 4

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

9. Proposed Total Measured Depth: 5800

WELL LOCATION INFORMATION

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

Latitude: 38.858010 Longitude: -102.362970

Footage at Surface: 620 feet FNL/FSL FSL 1943 feet FEL/FWL FEL

11. Field Name: Cheyenne Wells Field Number: 11050

12. Ground Elevation: 4293 13. County: CHEYENNE

14. GPS Data:

Date of Measurement: 02/12/2013 PDOP Reading: 3.1 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: 620 ft

18. Distance to nearest property line: 620 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1269 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			
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, 5, 14S, 44W, 6th

25. Distance to Nearest Mineral Lease Line: 620 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	250	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	5,700	250	5,700	4,700
S.C. 2.1					4,250	150	4,250	3,400
S.C. 2.2					2,450	250	2,450	1,750

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

33. Comments A potential for encountering H2S exists while testing the Topeka formation during swabbing operations. Due to the underpressured nature of the Las Animas Arch strata, no H2S will be encountered during the drilling process. An H2S contingency plan is attached. The attached Surface Agreement waives the 30 Day Notice letter and Onsite Audit.

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: 2/21/2013

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: 3/20/2013

API NUMBER

05 017 07746 00

Permit Number: _____

Expiration Date: 3/19/2015

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 24 hour notice of MIRU to Craig Quint at 719-767-8939 or e-mail at craig.quint@state.co.us.
- 2) Provide cement coverage from at least 200' below to at least 200' above any completed intervals, up to to 200' above SHWNE minimum, and stage cement Cheyenne/Dakota interval (2450' – 1850' minimum). Verify w/ CBL.
- 3) If well is a dry hole set the following plugs: 40 sks cement +/- 50' above the MSSP, 40 sks cement +/- 50' above the SHWNE, 40 sks cement across any DST w/ show, 40 sks cement 100' below base of Cheyenne (2450' up), 40 sks cement 50' above top of Dakota (1850' up), 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface csg, 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
2518294	H2S CONTINGENCY PLAN
400383574	FORM 2 SUBMITTED
400383576	TOPO MAP
400383577	PLAT
400383597	MINERAL LEASE MAP
400383598	SURFACE AGRMT/SURETY

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	3/20/2013 10:16:39 AM
Permit	The well location falls within an area that potentially may have measureable levels of H2S gas. H2S contingency plan attached.	2/25/2013 11:56:00 AM

Total: 2 comment(s)

BMP

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

Total: 0 comment(s)