FORM 2
Rev 12/05

State of Colorado
Oil and Gas Conservation Commission

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Document Number: 400428082
Date Received: 06/04/2013
PluggingBond SuretyID 20000063

APPLICATION FOR PERMIT TO:

1. [X] **Drill,** [ ] Deepen, [ ] Re-enter, [ ] Recomplete and Operate

2. TYPE OF WELL
OIL [X] GAS [ ] COALBED [ ] OTHER _____
SINGLE ZONE [ ] MULTIPLE [X] COMMINGLE [ ]
Refiling [ ] Sidetrack [ ]

3. Name of Operator: MULL DRILLING COMPANY INC 4. COGCC Operator Number: 61250
5. Address: 1700 N WATERFRONT PKWY B#1200
City: WICHITA State: KS Zip: 67206-6637
6. Contact Name: MARK SHREVE Phone: (316)264-6366 Fax: (316)264-6440
Email: MSHREVE@MULLDRILLING.COM
7. Well Name: APC-BAUGHMAN UNIT Well Number: 1-35
8. Unit Name (if appl): N/A Unit Number: N/A
9. Proposed Total Measured Depth: 5600

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 35 Twp: 16S Rng: 45W Meridian: 6
Latitude: 38.616670 Longitude: -102.436740
Footage at Surface: 660 feet FNL/FSL FSL 330 feet FEL/FWL FWL
11. Field Name: Wildcat Field Number: 99999
12. Ground Elevation: 4217.68 13. County: CHEYENNE

14. GPS Data:
Date of Measurement: 05/15/2013 PDOP Reading: 2.1 Instrument Operator's Name: ELIJAH FRANE

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 [X] No
17. Distance to the nearest building, public road, above ground utility or railroad: 250 ft
18. Distance to nearest property line: 330 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5600 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.)
MARMATON	MRTN			
MISSISSIPPIAN	MSSP			
SHAWNEE	SHWNE			

21. Mineral Ownership: [X] Fee [ ] State [ ] Federal [ ] Indian Lease #:
22. Surface Ownership: [X] Fee [ ] State [ ] Federal [ ] Indian
23. Is the Surface Owner also the Mineral Owner? [ ] Yes [X] No Surface Surety ID#: 20010165
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):

SE/4 34-16S-45W and W/2, SE/4 & W/2NE/4 35-16S-45W

25. Distance to Nearest Mineral Lease Line: 660 ft 26. Total Acres in Lease: 720

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	12+1/4	8+5/8	24	0	600	400	300	0
1ST	7+7/8	5+1/2	15.5	0	5,600	250	5,600	4,100
	7+7/8	5+1/2	Stage Tool	0	2,900	450	2,900	0

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

33. Comments NO CONDUCTOR CSG WILL BE SET.

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: MARK SHREVE

Title: PRESIDENT/COO Date: 6/4/2013 Email: MSHREVE@MULLDRILLING.

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: 7/5/2013

API NUMBER
05 017 07755 00

Permit Number: Expiration Date: 7/4/2015

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 hr notice prior to spud via electronic Form 42.
2) If production casing is set cement from TD to 200' above shallowest completed interval or 200' above Marmaton, whichever is shallower. Ensure cement coverage of Cheyenne & Dakota interval (1900' – 1300' minimum). Verify with CBL.
3) If well is a dry hole set the following plugs: 40 sks cement 50' above the Mississippi, 40 sks cement 50' above the Morrow, 40 sks cement 50' above the Marmaton, 40 sks cement across any DST w/ show, 40 sks cement at 1900', 40 sks cement at 1300', 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface csg, cut 4 feet below GL, weld on plate, 5 sks cement 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
400428082	FORM 2 SUBMITTED
400428548	30 DAY NOTICE LETTER
400428554	TOPO MAP
400428555	PLAT
400428557	H2S CONTINGENCY PLAN

Total Attach: 5 Files

General Comments

User Group	Comment	Comment Date
Permit	Final review completed; no LGD or public comment received.	6/28/2013 1:44:01 PM
Permit	The well location falls within an area that potentially may have measureable levels of H2S gas.	6/10/2013 6:42:26 AM
Permit	Passed completeness.	6/5/2013 8:19:17 AM

Total: 3 comment(s)

BMP

Type	Comment
Pre-Construction	• Preparation of a Storm Water Pollution Prevention Plan. Acquisition of a Storm Water Discharge Permit • Consultation with the surface landowner or appointed agent • Finalize access routes • Finalize well pad location to minimize surface grade impacts • Finalize well pad layout to minimize disturbances • Develop wildlife management plan if protected species are present
Storm Water/Erosion Control	• During drilling / completion operations, implementation of Storm Water Pollution Prevention Plan • Following drilling/completion operations, prompt reclamation of disturbed areas • During production operations, implementation of MDC's Post Construction Storm Water Management Program
Drilling/Completion Operations	Includes Structural Practices: • Implement Storm Water Pollution Prevention Plan, including routine inspections and evaluation of effectiveness • Locate tank batteries at safe distance from public roadways and railhead • Full containment for stock tanks and separators • Installation of pipelines in common trenches when practical • Installation of pipelines at right angles to water bodies (drainages, wetlands, perennial water bodies) where practical

Material Handling and Spill Prevention	• During drilling/completion operations, storage areas graded towards pit • During production operations, implementation of Spill Prevention, Control and Countermeasure Plan & daily inspection • All stock and produced water tanks have secondary containment
Wildlife	• Development and implementation of a Wildlife Management Plan if protected species are present
Interim Reclamation	• Debris and waste material removed • Areas not in use reclaimed promptly; pits closed using segregated material; well pad and other compacted surfaces ripped • Noxious weeds controlled
Planning	• Conduct Initial Site Assessment o Identification of nearby water bodies o Identification of vegetation types o Identification of protected wildlife species o Identification of potential access routes to minimize disturbances o Identification of nearby improvements
Construction	• Access road, well pad and pit disturbances minimized • Soils segregated by type to facilitate reclamation • Storm water controls deployed and routinely inspected
Final Reclamation	• All equipment and debris removed • All remaining disturbed areas, including access roads, reclaimed • Noxious Weed Control Plan developed if appropriate
Site Specific	1. Reporting of the presence of H2S will be done via verbal and email notices. Verbal notice with a follow up email will be provided as soon as practicable upon detection of H2S to COGCC's area engineer and the local government designee. 2. Per ephemeral stream south of staked location – structural practices will be implemented at the site to minimize erosion and sediment transport. Practices may include but are not limited to: straw bales, wattles/sediment control logs, silt fences, earth dikes, drainage swales, sediment traps, subsurface drains, pipe slope drains, inlet protection, outlet protection, gabions, and temporary sediment basins.
General Housekeeping	• Drilling and production operations conducted in safe, workmanlike manner. Safety expectations include good housekeeping. • During drilling/completion operations, debris stored in caged container which is removed from the site. • During production operations, the lease is inspected daily by MDC personnel.

Total: 11 comment(s)