

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



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07/02/2013

PluggingBond SuretyID

20090133

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: MINERAL RESOURCES, INC.

4. COGCC Operator Number: 57667

5. Address: PO BOX 328

City: GREELEY State: CO Zip: 80632

6. Contact Name: CLAYTON DOKE Phone: (303)216-0703 Fax: (303)216-2139

Email: cdoke@iptengineers.com

7. Well Name: DT-Habitat Well Number: 3-5-6

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

9. Proposed Total Measured Depth: 14693

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 5 Twp: 5N Rng: 65W Meridian: 6

Latitude: 40.435620 Longitude: -104.684270

Footage at Surface: 331 feet FNL/FSL FNL 1835 feet FEL/FWL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4643 13. County: WELD

14. GPS Data:

Date of Measurement: 11/12/2012 PDOP Reading: 0.7 Instrument Operator's Name: C. HOLMES

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
1425 FNL 2194 FWL 1263 FNL 460 FWL
Sec: 5 Twp: 5N Rng: 65W Sec: 6 Twp: 5N Rng: 65W16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 530 ft

18. Distance to nearest property line: 198 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 630 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| NIOBRARA | NBRR | | 480 | GWA |

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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 ☒ No23b. 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):

Please see attached Lease Map

25. Distance to Nearest Mineral Lease Line: 0 ft

26. Total Acres in Lease: 191

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: _____

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 | 9+5/8 | 36 | 0 | 560 | 297 | 560 | 0 |
| 1ST | 8+3/4 | 7 | 26 | 0 | 7,581 | 729 | 7,581 | 3,000 |
| 1ST LINER | 6+1/8 | 4+1/2 | 11.6 | 6358 | 14,693 | | | |

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

33. Comments No conductor casing will be run. Pad slot #8. This well is a Rule 318A.a.(4)D Horizontal GWA Well; Proposed Spacing Unit: NW/4 of Sec 5-T5N-R65W; N/2 of Sec 6-T5N-R65W. PSU Map is attached. Well distance to nearest spacing unit boundary = 460'. Operator notified on 05/01/13 all owners as defined in C.R.S. §34-60-103(7) within the proposed spacing unit and has received no written objections per Rule 318A.e(6)B. Certification of objections are attached. SUA is attached. Attached is a map from Weld County showing surface owner's property and a description of the property to supplement the SUA. Operator respectfully requests 318A.c.(2) location exception. Request is attached. Mineral Resources respectfully requests that the Rule 318A.a(4)D Horizontal well and proposed spacing unit be approved. The distance cited in Question 17 is in relation to a building. Application to pool unit was heard at the June 17, 2013 COGCC Commission hearing, Docket No. 1306-UP-93, and was continued to the July hearing.

34. Location ID: 432599

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: CLAYTON DOKE

Title: SENIOR ENGINEER Date: 7/2/2013 Email: cdoke@iptengineers.com

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: _____ Director of COGCC Date: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400410980 | FORM 2 SUBMITTED |
| 400410986 | WELL LOCATION PLAT |
| 400410988 | DIRECTIONAL DATA |
| 400411145 | PROPOSED SPACING UNIT |
| 400422151 | DEVIATED DRILLING PLAN |
| 400440838 | OFFSET WELL EVALUATION |
| 400442813 | PROPOSED SPACING UNIT |
| 400442873 | SURFACE AGRMT/SURETY |
| 400443340 | LEASE MAP |
| 400443353 | EXCEPTION LOC REQUEST |
| 400452200 | OTHER |

Total Attach: 11 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|---|-------------------------|
| Permit | Returned to draft. Requested operator remove oil and gas lease description and lease agreement. They are in metes and bounds and lease map will suffice. Requested operator remove SUA which does not match surface location. Applicant is the surface owner, and operator will add a comment that explains the relationship of Richmark (SO) to applicant. | 7/16/2013 2:30:05 PM |
| Permit | Returned to draft per operator's request. | 7/3/2013 11:11:06 AM |

Total: 2 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------------------|--|
| Drilling/Completion Operations | Bradenhead Monitoring BMP: Operator will comply with COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012. |
| Drilling/Completion Operations | Anti-Collision BMP: Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed wells. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to COGCC with the Form 5. |

Total: 2 comment(s)