

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:

400426987

Date Received:

06/26/2013

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: Hanavan Well Number: 1

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

9. Proposed Total Measured Depth: 5800

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 21 Twp: 13S Rng: 44W Meridian: 6

Latitude: 38.911910 Longitude: -102.349900

Footage at Surface: 610 feet FNL/FSL FNL 610 feet FEL/FWL
FNL/FSL FEL/FWL

11. Field Name: SMOKY CREEK Field Number: 77560

12. Ground Elevation: 4262 13. County: CHEYENNE

14. GPS Data:

Date of Measurement: 05/29/2013 PDOP Reading: 1.8 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: 610 ft

18. Distance to nearest property line: 610 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1263 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			

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#: 20120121

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):

W/2 NW/4, E/2 SW/4, E/2, Sec 21 13S 44W 6th PM

25. Distance to Nearest Mineral Lease Line: 610 ft

26. Total Acres in Lease: 480

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	300	400	0
1ST	12+1/4	8+5/8	24	0	1,700	100	1,700	1,250
2ND	7+7/8	5+1/2	15.5	0	5,800	150	5,800	4,600
S.C. 2.1					2,600	200	2,600	1,000

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

33. Comments No conductor casing will be set. A port collar for stage cement will be run on the 5.5" casing to cement the Cheyenne & Dakota per APD requirements.

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: 6/26/2013 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: 7/23/2013

API NUMBER

05 017 07760 00

Permit Number: _____ Expiration Date: 7/22/2015

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 Marmaton and stage cement Cheyenne/Dakota (2600'-1950' 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 Spergen, 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 2600' up, 40 sks cement at 1950' 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.
- 4) Monitor gas emissions during operations and comply with Reporting Hydrogen Sulfide (H2S) Notice to Operators and Rule 607.

Attachment Check List

Att Doc Num	Name
400426987	FORM 2 SUBMITTED
400439460	PLAT
400439466	MINERAL LEASE MAP

Total Attach: 3 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	7/22/2013 12:37:31 PM
Permit	The well location falls within an area that potentially may have measureable levels of H2S gas.	7/1/2013 12:53:22 PM
Permit	Pass completeness.	6/27/2013 10:19:08 AM

Total: 3 comment(s)

BMP

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