

FORM  
2

Rev  
12/05

# State of Colorado Oil and Gas Conservation Commission

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Document Number:

400427554

Date Received:

07/14/2013

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 VILLAGE State: CO Zip: 80111

6. Contact Name: Jake Flora Phone: (720)988-5375 Fax: ()

Email: jakeflora@kfrcorp.com

7. Well Name: Marmot State Well Number: 1

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

9. Proposed Total Measured Depth: 5800

## WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 16 Twp: 13S Rng: 44W Meridian: 6

Latitude: 38.915480 Longitude: -102.345110

Footage at Surface: 660 feet FNL/FSL 1980 feet FEL/FWL FWL

11. Field Name: SMOKY CREEK Field Number: 77560

12. Ground Elevation: 4269 13. County: CHEYENNE

14. GPS Data:

Date of Measurement: 05/13/2013 PDOP Reading: 2.7 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  No

17. Distance to the nearest building, public road, above ground utility or railroad: 1980 ft

18. Distance to nearest property line: 660 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1320 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:  Fee  State  Federal  Indian Lease #: 2366.12

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, 16, 13S, 44W, 6th PM

25. Distance to Nearest Mineral Lease Line: 660 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	300	400	0
1ST	12+1/4	8+5/8	24	0	1700	100	1700	1250
2ND	7+7/8	5+1/2	15.5	0	5800	150	5800	4600
S.C. 2.1					2500	200	2500	1200

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

33. Comments No conductor casing 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: Jake Flora

Title: Petroleum Engineer Date: 7/14/2013 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: 8/10/2013

API NUMBER: **05 017 07765 00** Permit Number: \_\_\_\_\_ Expiration Date: 8/9/2015

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.

<b>COA Type</b>	<b>Description</b>
	<p>1) Provide 48 hour notice prior to spud via electronic Form 42.</p> <p>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.</p> <p>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.</p> <p>4) Monitor gas emissions during operations and comply with Reporting Hydrogen Sulfide (H2S) Notice to Operators and Rule 607.</p>

### Attachment Check List

<b>Att Doc Num</b>	<b>Name</b>
400427554	FORM 2 SUBMITTED
400427555	MINERAL LEASE MAP
400434184	30 DAY NOTICE LETTER
400447399	PLAT

Total Attach: 4 Files

### General Comments

<b>User Group</b>	<b>Comment</b>	<b>Comment Date</b>
Permit	Final review completed; no LGD or public comment received.	8/9/2013 10:52:47 AM
Permit	In compliance with the State Land Board	7/18/2013 2:49:29 PM
Permit	Notified the State Land Board.	7/18/2013 11:30:03 AM
Permit	The well location falls within an area that potentially may have measureable levels of H2S gas.	7/18/2013 11:23:06 AM
Permit	This form has passed completeness.	7/16/2013 9:05:00 AM

Total: 5 comment(s)

### Best Management Practices

<b>No</b>	<b>BMP/COA Type</b>	<b>Description</b>