

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:

400448262

Date Received:

07/25/2013

PluggingBond SuretyID

20130024

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: MUSTANG CREEK OPERATING LLC

4. COGCC Operator Number: 10446

5. Address: 5251 DTC PARKWAY #800

City: GREENWOOD State: CO Zip: 80111
VILLAGE

6. Contact Name: Andrea Gross Phone: (303)942-0506 Fax: ()

Email: agross@upstreampm.com

7. Well Name: Graham Well Number: 1-13

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

9. Proposed Total Measured Depth: 11000

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 1 Twp: 13S Rng: 60W Meridian: 6

Latitude: 38.946070 Longitude: -104.068480

Footage at Surface: 1814 feet FNL/FSL 934 feet FEL/FWL
FSL FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 6102 13. County: EL PASO

14. GPS Data:

Date of Measurement: 06/03/2013 PDOP Reading: 1.4 Instrument Operator's Name: R. Daly

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: 596 ft

18. Distance to nearest property line: 509 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5280 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.)
ATOKA	ATOK			
CHEROKEE	CHRK			
MISSISSIPPIAN	MSSP			
NIOBRARA	NBRR			

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#: 20130025

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):

T13S R60W Sec. 1: SW/4

25. Distance to Nearest Mineral Lease Line: 787 ft

26. Total Acres in Lease: 160

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: Backfill and Cover

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
CONDUCTOR	24	20	53	0	60	50	60	0
SURF	17+1/2	13+3/8	54.5	0	700	520	700	0
1ST	12+1/4	9+5/8	36	0	5000	900	5000	0
2ND	7+7/8	5+1/2	17	0	11000	1200	11000	0

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

33. Comments The conductor casing will be augured in. There are no wells within three miles of this location.

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: Andrea Gross

Title: Permit Agent Date: 7/25/2013 Email: agross@upstreampm.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: 8/29/2013

API NUMBER

05 041 06082 00

Permit Number: _____ Expiration Date: 8/28/2015

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.

COA Type	Description
	1) Provide 48 hour notice prior to spud via electronic Form 42. 2) Set at least 700' of surface casing. Cement to surface. 3) Provide cement coverage to a minimum of 200' above Niobrara whichever is shallower. Verify coverage with cement bond log. 4) If dry hole, set 40 sk cement 50' above Pennsylvanian, 40 sk cement 50' above J-Sand, 40 sk cement 50' above Niobrara, 40 sks cement across any DST w/ show, 50 sks cement from 50' below to 50' above surface casing shoe, 15 sks cement top of surface casing, cut 4' below GL, weld on plate, or set dry hole marker, 5 sks cement in rat hole & 5 sks cement in mouse hole.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400448262	FORM 2 SUBMITTED
400453052	PLAT
400455298	DRILLING PLAN
400455299	ACCESS ROAD MAP

Total Attach: 4 Files

General Comments

User Group	Comment	Comment Date
Permit	Final review completed; no LGD or public comment received.	8/28/2013 8:14:59 AM
Permit	Distance to another well completed in the objective formation is over one mile. (5280 is inserted into the form.)	8/28/2013 8:08:15 AM
Permit	Form passes completeness.	7/26/2013 12:02:22 PM

Total: 3 comment(s)

Best Management Practices

No	BMP/COA Type	Description