

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:

400456168

Date Received:

07/29/2013

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: JONATHAN RUNGE Phone: (303)216-0703 Fax: (303)216-2139

Email: jrunge@iptengineers.com

7. Well Name: Franklin Park Well Number: 2-6-1

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

9. Proposed Total Measured Depth: 8476

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 2 Twp: 5N Rng: 66W Meridian: 6

Latitude: 40.431280 Longitude: -104.739280

Footage at Surface: 2226 feet FNL/FSL 1192 feet FEL/FWL
FNL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4697 13. County: WELD

14. GPS Data:

Date of Measurement: 04/29/2011 PDOP Reading: 1.6 Instrument Operator's Name: Z. Waddle

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
1317 FSL 1338 FWL 1317 FSL 1338 FWL
Sec: 1 Twp: 5N Rng: 66W Sec: 1 Twp: 5N Rng: 66W

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: 500 ft

18. Distance to nearest property line: 227 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2790 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.)
J SAND	JSND	Unspaced	40	GWA
NIOBRARA-CODELL	NB-CD	407-87	80	E/2 SW/4

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#:

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):

See attached oil and gas lease map.

25. Distance to Nearest Mineral Lease Line: 180 ft

26. Total Acres in Lease: 48

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	8+5/8	24	0	500	350	500	0
1ST	7+7/8	4+1/2	11.6	0	8476	1321	8476	3000

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

33. Comments No conductor casing will be run. This is a re-file of a permit that is set to expire on 10/31/13. Per the Re-filing Guidance Document dated March 20, 2007: there are no changes to the surrounding land use, no changes to the mineral lease description, and the well site has been built but currently no drilling is taking place at the site. Surface casing depth has been changed to 500' and top of production cement has been increased to 3000'. Directional data is attached; it was not included in the original APD. SUA is attached, document uploaded as other contains maps and drawing of surface location. Confirmation of Rule 305 30 day Surface Owner Notification is attached. The distance cited in question 17 is in relation to an above ground utility. Distance to the nearest building is 438'.

34. Location ID: 423325

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: Jonathan Runge

Title: Petroleum Engineer

Date: 7/29/2013

Email: jrunge@iptengineers.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: _____

Director of COGCC

Date: 10/22/2013

API NUMBER

05 123 34652 00

Permit Number: _____

Expiration Date: 10/21/2015

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.

Description

- 1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 2) Comply with Rule 317.i and provide cement coverage from the end of the production casing to a minimum of 200' above the Niobrara. Verify coverage with a cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from the end of production casing to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.
- 4) At least two weeks prior to spud notice, the centralizer and cementing plans shall be submitted to the COGCC for review on a Form 4, Sundry Notice.
- 5) At least one well on the pad must have a complete set of open hole logs (Compensated Neutron, Dual Induction, Resistivity, etc.) run from TD to surface and submitted to the COGCC.
- 6) Four hours prior to running any casing, notification shall be provided to Mike Hickey, COGCC Engineer at 303-894-2100 x5105.
- 7) Bradenhead pressures shall be taken 6, 12, 24 and 48 hours after cementing production casing and prior to stimulation of the well. Once stimulation is complete, the bradenhead pressure shall be recorded at 24 hours, at 48 hours and at one week post-stimulation. Bradenhead pressures greater than 100 psi must be immediately reported on a Form 17 to the COGCC, sent to the attention of Mike Hickey.
- 8) All bradenhead pressures shall be monitored with a gauge that has a maximum reading of one thousand pounds per square inch (psi).
- 9) Circulation prior to cementing shall be done to accepted industry standards.

Operator must meet water well testing requirements per Rule 318A.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400456168	FORM 2 SUBMITTED
400456188	LEASE MAP
400456189	SURFACE AGRMT/SURETY
400456190	DEVIATED DRILLING PLAN
400456191	WELL LOCATION PLAT
400460391	DIRECTIONAL DATA
400460392	OTHER
400460393	30 DAY NOTICE LETTER

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Operator agrees with distances to road and mineral lease line. Ready to pass.	10/18/2013 3:04:48 PM
Permit	This form has been related to a Form 2A that has been withdrawn. Opr notified.	9/16/2013 9:32:30 AM
Permit	Confirming distances to road and mineral lease line. Operator confirmed J Sand configuration as GWA. Plan is to twin the wells, however, not all wells are permitted.	9/3/2013 12:58:17 PM
Permit	Operator attached map (attached as "Other") showing SUA includes SHL and uploaded directional data. This form has passed completeness.	7/31/2013 1:06:26 PM
Permit	Returned to draft. Unclear which 11 acres is included in the SUA. Directional data spreadsheet not uploaded.	7/30/2013 11:27:39 AM

Total: 5 comment(s)

Best Management Practices

No	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	A closed loop system will be used for drilling fluids.

Total: 1 comment(s)