

**APPLICATION FOR PERMIT TO:**

**Drill**
     
  Deepen
     
  Re-enter
     
  Recomplete and Operate

Date Received:  
12/18/2013

TYPE OF WELL    OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____	Refiling <input type="checkbox"/>
ZONE TYPE    SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONES <input checked="" type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input type="checkbox"/>

Well Name: <u>Baughman</u>	Well Number: <u>2</u>
Name of Operator: <u>PRONGHORN OPERATING LLC</u>	COGCC Operator Number: <u>10422</u>
Address: <u>8400 E PRENTICE AVENUE #1000</u>	
City: <u>GREENWOOD VILLAGE</u>	State: <u>CO</u> Zip: <u>80111</u>
Contact Name: <u>Jake Flora</u>	Phone: <u>(720)988-5375</u> Fax: <u>( )</u>
Email: <u>jakeflora@kfrcorp.com</u>	

**RECLAMATION FINANCIAL ASSURANCE**

Plugging and Abandonment Bond Surety ID: 20120060

**WELL LOCATION INFORMATION**

QtrQtr: SESW      Sec: 32      Twp: 18S      Rng: 44W      Meridian: 6

Latitude: 38.442780      Longitude: -102.374560

Footage at Surface:      605      feet      FNL/FSL      2106      feet      FEL/FWL

Field Name: Sheridan Lake      Field Number: 77350

Ground Elevation: 4044      County: KIOWA

GPS Data:

Date of Measurement: 06/22/2013      PDOP Reading: 2.8      Instrument Operator's Name: Keith Westfall

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: \_\_\_\_\_

**LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT**

Surface Ownership:     Fee       State       Federal       Indian

The Surface Owner is:     is the mineral owner beneath the location.  
 (check all that apply)     is committed to an Oil and Gas Lease.  
                                   has signed the Oil and Gas Lease.  
                                   is the applicant.

The Mineral Owner beneath this Oil and Gas Location is:     Fee       State       Federal       Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well:    Yes

The right to construct the Oil and Gas Location is granted by:    Surface Use Agreement

Surface damage assurance if no agreement is in place:      Surface Surety ID: \_\_\_\_\_

**LEASE INFORMATION**

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

NE/4, S/2, 32, 18S, 44W, 6th PM

Total Acres in Described Lease: 480 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # \_\_\_\_\_

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 605 Feet

**CULTURAL DISTANCE INFORMATION**

Distance to nearest:

Building: 5280 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 5280 Feet

Above Ground Utility: 5280 Feet

Railroad: 5280 Feet

Property Line: 605 Feet

**INSTRUCTIONS:**

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).

- Enter 5280 for distance greater than 1 mile.

- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.

- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

**DESIGNATED SETBACK LOCATION INFORMATION**

Check all that apply. This location is within a:  Buffer Zone  
 Exception Zone  
 Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit

- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.

- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: \_\_\_\_\_

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: \_\_\_\_\_

**SPACING and UNIT INFORMATION**

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 1879 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary \_\_\_\_\_ Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

**SPACING & FORMATIONS COMMENTS**

\_\_\_\_\_

**OBJECTIVE FORMATIONS**

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
LANSING-MARMATON	LG-MR			

**DRILLING PROGRAM**

Proposed Total Measured Depth: 4300 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 50 Feet (Including plugged wells)

Will a closed-loop drilling system be used? No

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H<sub>2</sub>S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? No

BOP Equipment Type:  Annular Preventor  Double Ram  Rotating Head  None

### GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule N/A

### DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: ONSITE Drilling Fluids Disposal Methods: Evaporation

Cuttings Disposal: ONSITE Cuttings Disposal Method: Drilling pit

Other Disposal Description:

DRY & BURY

Beneficial reuse or land application plan submitted?                     

Reuse Facility ID:                      or Document Number:                     

### CASING PROGRAM

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	48	0	300	300	300	0
1ST	7+7/8	5+1/2	15.5	0	4300	150	4300	3100
S.C. 1.1					1600	200	1600	500

Conductor Casing is NOT planned

### DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

### GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- Rule 318A.a. Exception Location (GWA Windows).
- Rule 318A.c. Exception Location (GWA Twinning).

### RULE 502.b VARIANCE REQUEST

Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number                     

### OTHER LOCATION EXCEPTIONS

Check all that apply:

- Rule 318.c. Exception Location from Rule or Spacing Order Number
- Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

### OPERATOR COMMENTS AND SUBMITTAL

Comments No conductor casing will be set. E-Form does is not allowing attachment uploads. It's worked fine for the past year and now has an error when uploading. I will email in the required attachments (SUA & Plat). Sorry for the inconvenience.

This application is in a Comprehensive Drilling Plan \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: \_\_\_\_\_

Is this application being submitted with an Oil and Gas Location Assessment application? \_\_\_\_\_ Yes

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: 12/18/2013 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: 2/12/2014

Expiration Date: 02/11/2016

API NUMBER  
05 061 06891 00

### Conditions Of Approval

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) If production casing is set provide cement coverage to at least 200' above the shallowest completed interval or Lansing, whichever is shallower and stage cement Cheyenne/Dakota (1600'-1000' minimum). Run and submit CBL to verify cemented intervals. 3) If well is a dry hole set the following plugs: 40 sks cement +/- 50' above the Marmaton, 40 sks cement +/- 50' above the Lansing, 40 sks cement across any DST w/ show, 40 sks cement at 1600' up, 40 sks cement at 1000' 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.

### Best Management Practices

No BMP/COA Type	Description

### Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

### Attachment Check List

<b>Att Doc Num</b>	<b>Name</b>
2518830	SURFACE AGREEMENT/SURETY
2518837	LEASE MAP
2518840	H2S CONTINGENCY PLAN
400427556	FORM 2 SUBMITTED
400529831	WELL LOCATION PLAT

Total Attach: 5 Files

### General Comments

<b>User Group</b>	<b>Comment</b>	<b>Comment Date</b>
Permit	Final review completed; no LGD or public comment received.	2/10/2014 2:02:09 PM
Engineer	Received H2S Contingency Plan.	12/31/2013 9:47:41 AM
Permit	Operator provided revised lease map.	12/31/2013 7:54:34 AM
Engineer	Well plots in an area with potentially high levels of H2S. Requested H2S Contingency Plan. See 061-06039 DST results on Well Completion Report doc# 525200.	12/24/2013 3:02:58 PM
Permit	Lease map conflicts with lease description.	12/24/2013 8:51:11 AM
Permit	Passed completeness.	12/19/2013 9:23:29 AM
Permit	Returned to draft: Please try uploading SUA and Plat again.	12/19/2013 7:51:40 AM

Total: 7 comment(s)