

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303)894-2100 Fax: (303)894-2109

APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

Refilling
Sidetrack

2. TYPE OF WELL
 OIL GAS COALBED OTHER: _____
 SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

3. Name of Operator: Mineral Resources, Inc. 4. COGCC Operator Number: 57667
 5. Address: 3109 35th Avenue B101
 City: Greeley State: CO Zip: 80634
 6. Contact Name: Collin M. Richardson Phone: (970) 352-9446 Fax: (800) 850-9334
 7. Well Name: NLB Well Number: 1-3-12
 8. Unit Name (if appl): _____ Unit Number: _____
 9. Proposed Total Measured Depth: 8064'

Complete the Attachment Checklist

	OP	COGCC
APD Orig & 1 Copy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Form 2A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Well location plat	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Topo map	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Mineral lease map	<input type="checkbox"/>	<input type="checkbox"/>
Surface agmt/Surety	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
30 Day notice letter	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Deviated Drilling Plan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Exception Location Request	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Exception Loc Waivers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
H2S Contingency Plan	<input type="checkbox"/>	<input type="checkbox"/>
Federal Drilling Permit	<input type="checkbox"/>	<input type="checkbox"/>

10. Qtr: NENW Sec: 12 Twp: 4N Rng: 68W Meridian: 6th
 Latitude: 40.33434° North Longitude: 104.95265° West
 Footage At Surface: 481' N 2264' W
 11. Field Name: Wattenberg Field Number: 90750
 12. Ground Elevation: 4972' 13. County: Weld

14. GPS Data: Date of Measurement: 07/16/2007 PDOP Reading: 1.3 Instrument Operator's Name: Ben Adsit

15. If well is: Directional Horizontal (highly deviated), submit deviated drilling plan. Bottomhole Sec Twp Rng: 12-5N-R65W
 Footage At Top of Prod Zone: 1997' N 1989' E At Bottom Hole: 1997' N 1989' E

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: 406'
 18. Distance to Nearest Property Line: 382' 19. Distance to nearest well permitted/completed in the same formation: +/- 2400' 1337'

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.)
Niobrara/Codell	NBCD	407	80 acres	W/2NE/4
J Sand	JSND	232	320 acres	E/2

21. Mineral Ownership: Fee State Federal Indian
 22. Surface Ownership: Fee State Federal Indian
 23. Is the Surface Owner also the Mineral Owner? Yes No
 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 Qtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located. (attach separate sheet/map if you prefer):
 E/2, Section 12, Township 4 North, Range 68 West, 6th P.M.
 25. Distance to Nearest Mineral Lease Line: 664' 26. Total Acres in Lease: 320

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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? Yes No If 28, 29 or 30 are "Yes" a pit permit may be required.
 31. Mud disposal: Offsite Onsite
 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.

String	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
Surface	12-1/4"	8-5/8"	24#	525'	350 sx	525'	Surface
Production	7-7/8"	4-1/4"	11.6#	8064'	418 sx	8064'	200'
							Above Niobrara

32. BOP Equipment Type: Annular Preventor Double Ram Rotating Head None
 33. Comments: No conductor casing will be used Exception Location 3184a.

34. Initial Rule 306 Consultation took place on (date) 8/29/2007 was waived, or is not required. Provide supporting documentation if consultation has been waived or if good faith effort did not result in consultation.
 PERMIT SUBMITTED TO COGCC PRIOR TO COMPLIANCE WITH RULE 306 CONSULTATION SHALL BE RETURNED UNAPPROVED.
 I hereby certify that a complete permit package has been sent to the applicable Local Government Designee(s), and all statements made in this form are, to the best of my knowledge, true, correct, and complete.
 Signed: Collin M. Richardson Print Name: Collin M. Richardson
 Title: V.P., Operations Date: 8/10/2007 Email: collin@mineralresourcesinc.com

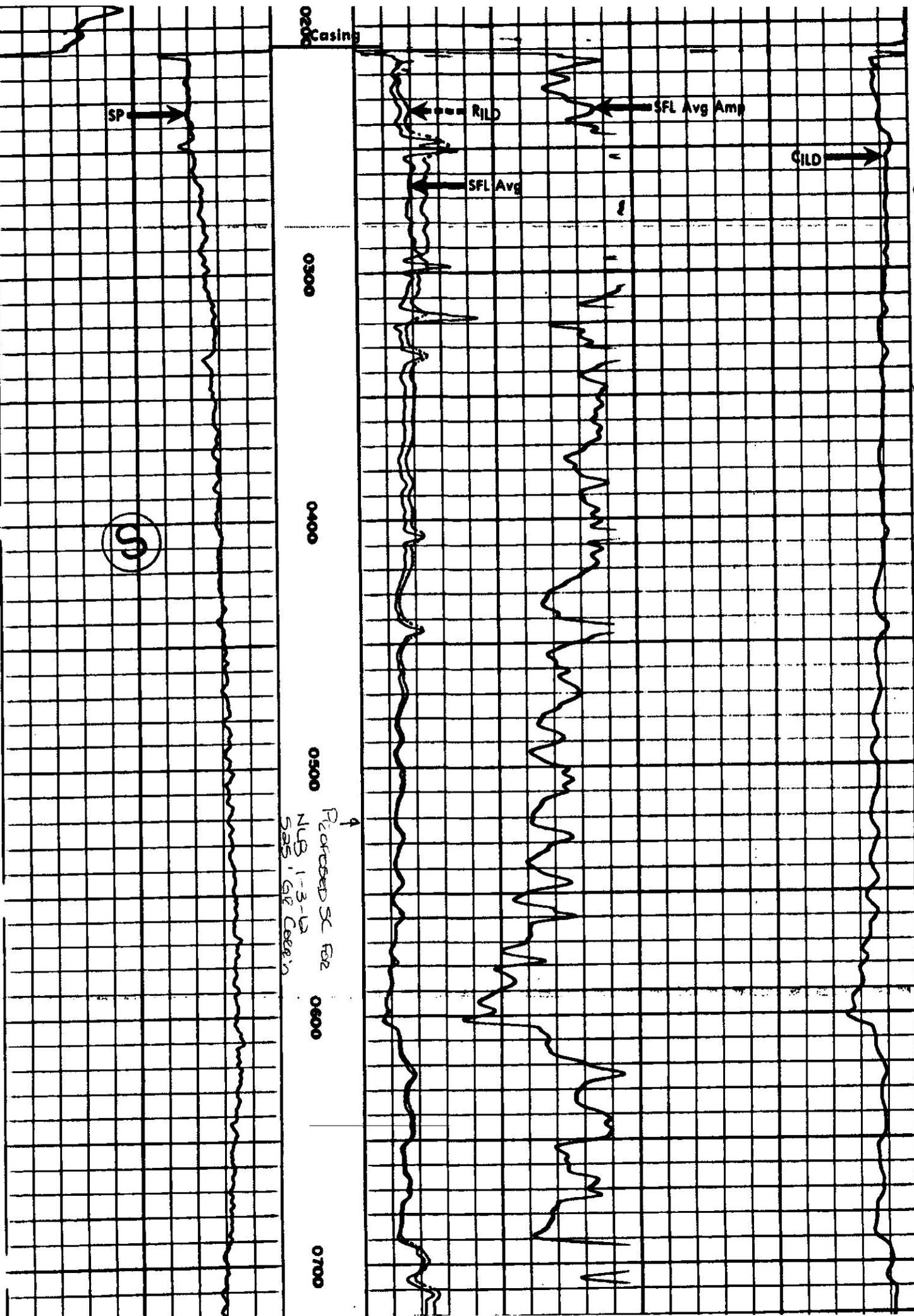
Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.
 COGCC Approved: David S. Noshin Director of COGCC Date: 12-4-07
 Permit Number: 20075215 Expiration Date: 12-3-08

API NUMBER
05-123-26635-00

CONDITIONS OF APPROVAL, IF ANY:

1) Provide 24 hour notice of MIRU to Ed Binkley at 970-506-9834 or e-mail at ed.binkley@state.co.us 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log. 3) Run and submit Directional Survey from TD to base of surface casing. The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

ARBRANS No. 1 123 09981 SWSW 1 410 68W 5R 4968



Revised SC for
NUG 1-3-5
SAS, GR Casing

SP

S

RILD

SFL Avg

SFL Avg Amp

GILD

Casing

0200

0300

0400

0500

0600

0700

Colorado
Oil & Gas Conservation Commission



COGCC Results



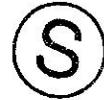
Selected Items Report

Oil and Gas Wells Selected						
Filter Results by Formation Include <input checked="" type="checkbox"/> J-CDL <input type="button" value="Filter"/>						
WELL DESCRIPTION		LOCATION	WELL INFORMATION			
05-123-10780, RICE 1 NOBLE ENERGY PRODUCTION INC		SESW 6 4N -67W (6)	Sidetrack TD	Formation Status	00 7690 J-CDL CM	
Facilities Selected						
FACILITY DESCRIPTION		LOCATION	PIT INFORMATION			
			Type	Unlined	Status	
Water Wells Selected From Map						
Filter Results by Depth Greater than <input type="checkbox"/> <input type="button" value="Filter"/>						
WELL DESCRIPTION		LOCATION	WELL INFORMATION			
			Depth	Top Perf	Bottom Perf	Aquifer
Receipt=0505463, Permit=0247791-- SMITH KEITH A		SESE 2 4N-68W	76	0	0	GW
Receipt=0496499C, Permit=0245911-- NORTHERN CO WATER CONSERVANCY DIST		NENW 13 4N-68W	50	40	50	GW



Well name and number:

NLB 1-3-12



Survey Plat Check list

number	Item	
	8-1/2" x 11" scaled drawing of the entire section	✓
1	Dimensions on adjacent exterior section lines sufficient to completely describe the quarter section containing the proposed well shall be indicated	✓
1a	If dimensions are not field measured, state how the dimensions were determined	✓
2	The latitude and longitude of the proposed well location shall be provided on the drawing with a minimum of five (5) decimal places of accuracy and precision using the North American Datum (NAD) of 1983 (e.g.; latitude 37.12345 N, longitude 104.45632 W). If GPS technology is utilized to determine the latitude and longitude, all GPS data shall meet the requirements set forth in Rule 215. a. through h.	✓
2a	PDOP value <7 if GPS used	✓
2b	5 decimal places of accuracy & precision	✓
2c	NAD 1983	✓
3	For directional drilling into an adjacent section, that section shall also be shown on the location plat and dimensions on exterior section lines sufficient to completely describe the quarter section containing the proposed productive interval and bottom hole location shall be indicated. (Additional requirements related to directional drilling are found in Rule 321.)	✓
4	For irregular, partial or truncated sections, dimensions will be furnished to completely describe the entire section containing the proposed well.	✓
5	The field-measured distances from the nearer north/south and nearer east/west section lines shall be measured at ninety (90) degrees from said section lines to the well location and referenced on the plat. For unsurveyed land grants and other areas where an official public land survey system does not exist, the well locations shall be spotted as footages on a protracted section plat using Global Positioning System (GPS) technology and reported as latitude and longitude in accordance with Rule 215.	✓
6	A map legend	✓
7	A North Arrow	✓
8	A scale expressed as an equivalent (e.g. 1" = 1000').	✓
9	A bar scale.	✓
10	The ground elevation.	✓
11	The basis of the elevation (how it was calculated or its source).	✓
12	The basis of bearing or interior angles used.	✓
13	Complete description of monuments and/or collateral evidence found; all aliquot corners used shall be described.	✓
14	The legal land description by section, township, range, principal meridian, baseline and county.	✓
15	Operator name	✓
16	Well name and number	✓
17	Date of completion of scaled drawing	✓
18	All visible improvements within two hundred (200) feet of a wellhead (or, in a high density area within four hundred (400) feet of a wellhead) shall be physically tied in and plotted on the well location plat or on an addendum, with a horizontal distance and approximate bearing from the well location.	✓
18a	Visible improvements shall include, but not be limited to, all buildings, publicly maintained roads and trails, major above ground utility lines, railroads, pipelines, mines, oil wells, gas wells, injection wells, water wells, visible plugged wells, sewers with manholes, standing bodies of water, and natural channels including permanent canals and ditches through which water flows.	✓
18b	If there are no visible improvements within two hundred (200) feet of a wellhead (or in a high density area within four hundred (400) feet of a wellhead), it shall be so noted on the Permit-to-Drill, Form 2.	✓
19	Surface use shall be described within the two hundred (200) foot radius of a wellhead (or in a high density area within the four hundred (400) foot radius of a wellhead).	✓

The survey plat you submitted with your permit was found to be in non-compliance with COGCC rule 303c. See above checklist. If a survey plat is not in compliance with rule 303c the operator will be notified and the permit will be placed on hold until an adequate replacement is supplied to the COGCC.