


FORM 2 Rev 12/05	State of Colorado Oil and Gas Conservation Commission 1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">DE</td> <td style="width: 25%;">ET</td> <td style="width: 25%;">OE</td> <td style="width: 25%;">ES</td> </tr> </table>	DE	ET	OE	ES
DE	ET	OE	ES				
APPLICATION FOR PERMIT TO:			Document Number: <div style="text-align: center;">400165431</div> Plugging Bond Surety <div style="text-align: center;">20090133</div>				
1. <input checked="" type="checkbox"/> Drill, <input type="checkbox"/> Deepen, <input type="checkbox"/> Re-enter, <input type="checkbox"/> Recomplete and Operate							
2. TYPE OF WELL OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> COMMINGLE ZONE <input checked="" type="checkbox"/>		Refiling <input type="checkbox"/> Sidetrack <input type="checkbox"/>					
3. Name of Operator: <u>MINERAL RESOURCES, INC.</u>		4. COGCC Operator Number: <u>57667</u>					
5. Address: <u>PO BOX 328</u> City: <u>GREELEY</u> State: <u>CO</u> Zip: <u>80632</u>							
6. Contact Name: <u>Collin Richardson</u> Phone: <u>(970)352-9446</u> Fax: <u>(800)850-9334</u> Email: <u>collin@mineralresourcesinc.com</u>							
7. Well Name: <u>Westbone</u>		Well Number: <u>1-3-22</u>					
8. Unit Name (if appl): _____		Unit Number: _____					
9. Proposed Total Measured Depth: <u>8402</u>							
WELL LOCATION INFORMATION							
10. QtrQtr: <u>NWSE</u> Sec: <u>22</u> Twp: <u>5N</u> Rng: <u>66W</u> Meridian: <u>6</u> Latitude: <u>40.384350</u> Longitude: <u>-104.765040</u>							
Footage at Surface: <u>2388</u> feet FNL/FSL <u>FSL</u> <u>2457</u> feet FEL/FWL <u>FEL</u>							
11. Field Name: <u>Wattenberg</u>		Field Number: <u>90750</u>					
12. Ground Elevation: <u>4804</u>		13. County: <u>WELD</u>					
14. GPS Data: Date of Measurement: <u>04/29/2011</u> PDOP Reading: <u>1.7</u> Instrument Operator's Name: <u>Waddle</u>							
15. If well is <input checked="" type="checkbox"/> Directional <input type="checkbox"/> Horizontal (highly deviated) submit deviated drilling plan. Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL <div style="display: flex; justify-content: space-around;"> <div> <u>1985</u> FNL <u>665</u> FWL </div> <div> <u>1985</u> FNL <u>665</u> FWL </div> </div> Sec: <u>22</u> Twp: <u>5N</u> Rng: <u>66W</u> Sec: <u>22</u> Twp: <u>5N</u> Rng: <u>66W</u>							
16. Is location in a high density area? (Rule 603b)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							
17. Distance to the nearest building, public road, above ground utility or railroad: <u>315</u> ft							
18. Distance to nearest property line: <u>150</u> ft 19. Distance to nearest well permitted/completed in the same formation: <u>700</u> 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	232-23	320	N/2			
NIOBRARA-CODELL	NB-CD	407-87	160	NW/4			

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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):
N/2 of Section 22, Township 5 North, Range 66 West, 6th PM, County of Weld, State of Colorado.

25. Distance to Nearest Mineral Lease Line: _____ 665 ft 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 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☒ No

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.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+5/8	8+5/8	24	0	560	300	560	0
1ST	7+7/8	4+1/2	11.6	0	8,402	280	8,402	7,280

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

33. Comments No conductor casing will be set.

34. Location ID: _____ 423341

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: Dan Hull

Title: Senior Project Manager Date: 6/17/2011 Email: dan.hull@LRA-inc.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. Neslin Director of COGCC Date: 7/15/2011

API NUMBER

05 123 33975 00

Permit Number: _____ Expiration Date: 7/14/2013

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.

1. Note surface casing setting depth change from 500' to 560'. Increase cement coverage accordingly and cement to surface. Provide 24 hour notice of MIRU to Bo Brown at e-mail bo.brown@state.co.us
2. Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Shannon to 200' above Shannon. Verify coverage with cement bond log.
- 4) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.
3. 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.
4. 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.
5. Four hours prior to running any casing, notification shall be provided to Bo Brown, COGCC Field Inspector at 970-397-4124.
6. Bradenhead pressures shall be taken 6, 12, 24 and 48 hrs after cementing production casing and prior to stimulation of the well. Once stimulation is complete, the bradenhead pressure shall be recorded at 24 hrs, 48 hrs 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 Diana Burn.
7. All bradenhead pressures shall be monitored with a gauge that has a maximum reading of one thousand pounds per square inch (psi).
8. Circulation prior to cementing shall be done to accepted industry standards.

Attachment Check List

Att Doc Num	Name
1694164	EXCEPTION LOC REQUEST
400165431	FORM 2 SUBMITTED
400173851	WELL LOCATION PLAT
400173852	OIL & GAS LEASE
400173853	OIL & GAS LEASE
400173872	DEVIATED DRILLING PLAN
400173927	SURFACE AGRMT/SURETY

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Received a corrected spacing order for the J Sand. Changed to - 232-23 spacing order, 320 Unit Acre, and N/2 Unit config.	6/29/2011 10:17:38 AM
Permit	Requesting a corrected spacing order for the J Sand.	6/28/2011 11:07:08 AM
Permit	Received Exception Location Request letter.	6/28/2011 9:32:14 AM
Permit	Requesting a Exception Location letter.	6/27/2011 2:25:23 PM
Permit	The reference point is a rebar permanently set 300' north of the surface location of the first well on this pad.	6/27/2011 1:58:36 PM

Total: 5 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	Closed loop system will be used for drilling fluids.

Total: 1 comment(s)