

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:

2389116

Date Received:

04/19/2013

PluggingBond SuretyID

20090104

## 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: PROSPECT ENERGY LLC4. COGCC Operator Number: 103125. Address: 1600 STOUT ST STE 1710City: DENVER State: CO Zip: 802026. Contact Name: JAMEY BRUMLEY Phone: (303)973-3228 Fax: ()Email: JBRUMLEY@BDMINERALS.COM7. Well Name: COMMUNITY Well Number: 3

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

9. Proposed Total Measured Depth: 5200

## WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 18 Twp: 8N Rng: 68W Meridian: 6Latitude: 40.665545 Longitude: -105.039576

Footage at Surface: 990 feet FNL 330 feet FEL  
 FNL/FSL FEL/FWL

11. Field Name: FORT COLLINS Field Number: 2510012. Ground Elevation: 5171 13. County: LARIMER

## 14. GPS Data:

Date of Measurement: 09/13/2010 PDOP Reading: 2.2 Instrument Operator's Name: Kristi McRedmond15. 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 ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 250 ft18. Distance to nearest property line: 20 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 9800 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| DAKOTA                 | DKTA           |                         | 40                            | NENE/4                               |

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: \_\_\_\_\_22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#: 2009010523a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☐ Yes ☐ No23b. 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):

W/2NW/4 SEC 17: E/2 SEC 18 - T8N-R68W, 6TH PM

25. Distance to Nearest Mineral Lease Line: 990 ft

26. Total Acres in Lease: 399

### 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: NO DRILLING FLUID USED

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        | 13+3/4       | 10+3/4         | 32.75      | 0             | 177           | 150       | 177     | 0       |
| 1ST         | 7+7/8        | 5+1/2          | 14         | 0             | 6,126         | 100       | 6,126   | 5,016   |
|             |              |                | Stage Tool |               | 5,016         | 60        | 5,016   | 4,700   |

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

33. Comments EXISTING WELLBORE. CURRENTLY SI LYONS WELL. PLUG OFF LYONS AND RECOMPLETE DAKOTA FORMATION. WILL RUN CBL BEFORE PERFORATING DAKOTA. Nearest well currensntly producing in the Dakota is the Meyer #1. This well was spud in 1955 and completed in 1956 before the land was developed. The well is approximately 250 feet from the nearest building unit, and approximately 280 feet from the nearest road. The well site is not in a high density area. I certify that there has been no changes on land use, lease description. The pad has been built. There is no pit nor will one be constructed. There will be no additional surface disturbance. The location does not require a variance from any of the rules listed in Rule 306.d.(1).(A).(ii). FORM 4 DOC # 2166558

34. Location ID: 307061

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: JAMES BRUMLEY

Title: VP OPERATIONS Date: 4/19/2013 Email: JBRUMLEY@BDMINERALS.C

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: 5/30/2013

#### API NUMBER

05 069 05132 00

Permit Number: \_\_\_\_\_ Expiration Date: 5/29/2015

#### 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.

Prior to recomplete, operator must: 1) Verify existing cement with a cement bond log. 2) If it is not present as follows, provide remedial cement from 720' into the surface casing shoe. Verify remedial cement coverage with cement bond log.

### **Applicable Policies and Notices to Operators**

Notice Concerning Operating Requirements for Wildlife Protection.

### **Attachment Check List**

| Att Doc Num | Name             |
|-------------|------------------|
| 2389116     | FORM 2 SUBMITTED |

Total Attach: 1 Files

### **General Comments**

| <b><u>User Group</u></b> | <b><u>Comment</u></b>  | <b><u>Comment Date</u></b> |
|--------------------------|--|----------------------------|
| Engineer                 | Receipt=9038207, Permit=0003085-- 669'   | 5/24/2013<br>3:39:22 PM    |
| Permit                   | Intent is to plug off the Lyons formation and produce from the Dakota formation. This is an older well drilled prior to land development, there is no change in land disturbance.<br>Ready to pass pending public comment 5/21/13. | 5/2/2013 8:10:58<br>AM     |
| Permit                   | Form passes completeness.  | 5/1/2013 8:37:55<br>AM     |
| Permit                   | Made corrections to bonds, location ID, Spacing, GPS data, as per opr.   | 4/30/2013<br>10:23:21 AM   |
| Permit                   | Returned to DRAFT. Requested review of county, says Fremont but looks like Larimer.  | 4/23/2013<br>9:49:12 AM    |

Total: 5 comment(s)

### **BMP**

| <b><u>Type</u></b> | <b><u>Comment</u></b> |
|--------------------|-----------------------|
|                    |                       |