

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



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APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☒ GAS ☐ COALBED ☐ OTHER \_\_\_\_\_  
SINGLE ZONE ☒ MULTIPLE ZONE ☐ COMMINGLE ZONE ☐

Refiling ☐  
Sidetrack ☐

Document Number:

1697657

Plugging Bond Surety

20090104

3. Name of Operator: PROSPECT ENERGY LLC

4. COGCC Operator Number: 10312

5. Address: 1600 STOUT ST STE 1710

City: DENVER State: CO Zip: 80202

6. Contact Name: ROBERT VINCENT Phone: (303)973-3228 Fax: (303)346-4893  
Email: RVINCENT@BDMINERALS.COM

7. Well Name: MARTINEZ Well Number: 3

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

9. Proposed Total Measured Depth: 6359

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 8 Twp: 8N Rng: 68W Meridian: 6

Latitude: 40.673920 Longitude: -105.037680

Footage at Surface: 2078 FNL/FSL FSL 160 FEL/FWL FWL

11. Field Name: FORT COLLINS Field Number: 25100

12. Ground Elevation: 5185 13. County: LARIMER

14. GPS Data:

Date of Measurement: 01/08/2010 PDOP Reading: 1.5 Instrument Operator's Name: DALLAS NIELSEN

15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1704 FSL 800 FWL FWL Bottom Hole: FNL/FSL 1720 FSL 800 FWL FWL  
Sec: 8 Twp: 8N Rng: 68W Sec: 8 Twp: 8N Rng: 68W

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: 236 ft

18. Distance to nearest property line: 160 ft 19. Distance to nearest well permitted/completed in the same formation: 1350 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.)
LYONS	LYNS	81-5	40	NWSW

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 Bon ☐ \$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 MINERAL LEASE DESCRIPTION.

25. Distance to Nearest Mineral Lease Line: 800 ft 26. Total Acres in Lease: 499

### 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.

Casing Type	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
SURF	11	8+5/8	24	750	400	750	0
1ST	7+7/8	5+1/2	17	6,300	750	6,300	1,200

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

33. Comments CONDUCTOR CASING WILL NOT BE USED

34. Location ID: \_\_\_\_\_

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: ROBERT S. VINCENT

Title: VP OF OPERATIONS Date: 3/23/2010 Email: RVINCENT@BDMINERALS.C

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. Nashin Director of COGCC Date: 5/4/2010

**API NUMBER**

05 069 06399 00

Permit Number: \_\_\_\_\_ Expiration Date: 5/3/2012

**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) 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.

### **Attachment Check List**

Att Doc Num	Name	Doc Description
1697657	APD ORIGINAL	LF@2440529 1697657
1697658	WELL LOCATION PLAT	LF@2440530 1697658
1697659	WELL LOCATION PLAT	LF@2440635 1697659
1697660	LEGAL/LEASE DESCRIPTION	LF@2440531 1697660
1697661	SURFACE AGRMT/SURETY	LF@2440532 1697661
1697662	DEVIATED DRILLING PLAN	LF@2440533 1697662
1697663	DRILLING PLAN	LF@2440534 1697663
1770252	SURFACE CASING CHECK	LF@2454368 1770252

Total Attach: 8 Files