

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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|----|----|----|----|
| DE | ET | OE | ES |
|----|----|----|----|

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:

400006040

Plugging Bond Surety

20090133

3. Name of Operator: MINERAL RESOURCES, INC. 4. COGCC Operator Number: 57667

5. Address: PO BOX 328
City: GREELEY State: CO Zip: 80632

6. Contact Name: Collin Richardson Phone: (970)352-9446 Fax: (800)850-9334
Email: collin@mineralresourcesinc.com

7. Well Name: Cole X6 Well Number: 4-8-31

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 7825

WELL LOCATION INFORMATION

10. QtrQtr: nesw Sec: 31 Twp: 5N Rng: 65W Meridian: 6
Latitude: 40.355620 Longitude: -104.709450

Footage at Surface: 2605 FNL/FSL FSL 1743 FEL/FWL FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4659 13. County: WELD

14. GPS Data:

Date of Measurement: 01/14/2008 PDOP Reading: 1.4 Instrument Operator's Name: Dallas Nielson

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

Footage at Top of Prod Zone: FNL/FSL 135 FSL 2558 FEL FEL Bottom Hole: FNL/FSL 135 FSL 2558 FEL FEL
Sec: 31 Twp: 5N Rng: 65W Sec: 31 Twp: 5N Rng: 65W

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: 219 ft

18. Distance to nearest property line: 156 ft 19. Distance to nearest well permitted/completed in the same formation: 800 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Codell | CODL | 407-87 | 160 | GWA |
| Niobrara | NBRR | 407-87 | 160 | GWA |

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):
See attached lease and map.

25. Distance to Nearest Mineral Lease Line: 135 ft 26. Total Acres in Lease: 160

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 | 12+5/8 | 8+5/8 | 24 | 440 | 264 | 440 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 7,826 | 182 | 7,826 | 7,097 |

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

33. Comments No conductor casing will be set. Propoased spacing unit is the swse, sesw Sec 31 5n/65w; nenw, nwnw Sec 6 4n/65w The operator is the surface owner. Operator requests the approval of an exception location to rule 318Aa. Applicant is the surface owner

34. Location ID: 332840

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: 5/10/2010 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: 7/11/2010

API NUMBER

05 123 31836 00

Permit Number: _____ Expiration Date: 7/10/2012

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 Bo Brown at 970-330-6085 or e-mail at bobrown@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) 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.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------------|----------------------|
| 2553807 | SURFACE CASING CHECK | LF@2482537 2553807 |
| 400006040 | FORM 2 SUBMITTED | LF@2476369 400006040 |
| 400044141 | TOPO MAP | LF@2476370 400044141 |
| 400044142 | WELL LOCATION PLAT | LF@2476371 400044142 |
| 400044144 | PROPOSED SPACING UNIT | LF@2476372 400044144 |
| 400044262 | MULTI-WELL PLAN | LF@2476373 400044262 |
| 400052052 | DEVIATED DRILLING PLAN | LF@2476374 400052052 |
| 400057419 | 30 DAY NOTICE LETTER | LF@2476375 400057419 |
| 400057420 | EXCEPTION LOC REQUEST | LF@2476376 400057420 |
| 400057422 | EXCEPTION LOC REQUEST | LF@2476377 400057422 |
| 400057424 | SURFACE OWNER CONSENT | LF@2476378 400057424 |
| 400059312 | MINERAL LEASE MAP | LF@2476379 400059312 |
| 400060643 | PROPOSED SPACING UNIT | LF@2476380 400060643 |

Total Attach: 13 Files