

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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Document Number:

400006057

Plugging Bond Surety

20090133

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 ☐

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: RE-1 X7 Well Number: 4-6-31

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

9. Proposed Total Measured Depth: 8513

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 31 Twp: 5N Rng: 65W Meridian: 6

Latitude: 40.355590 Longitude: -104.709560

Footage at Surface: 2592 FNL/FSL FSL 1714 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: 2.0 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 1262 FSL 2438 FWL FWL Bottom Hole: FNL/FSL 1262 FSL 2438 FWL FWL
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: 221 ft

18. Distance to nearest property line: 158 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 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 lease and map.

25. Distance to Nearest Mineral Lease Line: 185 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	7,537	179	7,537	6,822

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

33. Comments No conductor casing will be set. Proposed spacing unit is the W/2SE4, E/2SW4 The operator is the surface owner. Operator requests the approval of an exception location to rule 318Aa. Applicant is the surface owner. Operator (Collin Richardson) changes distance to nearst buildng, power line, house or railroad to 221 feet.

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: 7/14/2010

API NUMBER

05 123 31863 00

Permit Number: _____ Expiration Date: 7/13/2012

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
2553806	SURFACE CASING CHECK	LF@2482538 2553806
400006057	FORM 2 SUBMITTED	LF@2476382 400006057
400044146	PROPOSED SPACING UNIT	LF@2476383 400044146
400044147	WELL LOCATION PLAT	LF@2476384 400044147
400044148	TOPO MAP	LF@2476385 400044148
400044264	MULTI-WELL PLAN	LF@2476386 400044264
400052055	DEVIATED DRILLING PLAN	LF@2476387 400052055
400057425	30 DAY NOTICE LETTER	LF@2476388 400057425
400057426	EXCEPTION LOC REQUEST	LF@2476389 400057426
400057427	EXCEPTION LOC REQUEST	LF@2476390 400057427
400057428	SURFACE OWNER CONSENT	LF@2476391 400057428
400059314	MINERAL LEASE MAP	LF@2476392 400059314
400060628	PROPOSED SPACING UNIT	LF@2476393 400060628

Total Attach: 13 Files