

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:

400083497

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)359-9446 Fax: (800)850-9334
Email: collin@mineralresourcesinc.com

7. Well Name: Thermo Well Number: 5-5-32

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

9. Proposed Total Measured Depth: 7393

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 32 Twp: 6N Rng: 65W Meridian: 6
Latitude: 40.438498 Longitude: -104.684336

Footage at Surface: 713 FNL/FSL FSL 1846 FEL/FWL FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4641 13. County: WELD

14. GPS Data:

Date of Measurement: 07/30/2010 PDOP Reading: 1.7 Instrument Operator's Name: David Berglund

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

Footage at Top of Prod Zone: FNL/FSL 1981 FSL 1945 FEL 1945 FEL 1945 FEL 1945
Sec: 32 Twp: 6N Rng: 65W Sec: 32 Twp: 6N 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: 738 ft

18. Distance to nearest property line: 252 ft 19. Distance to nearest well permitted/completed in the same formation: 1329 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	80	W/2SE4
NIOBRARA	NBRR	407	80	W/2SE4

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

25. Distance to Nearest Mineral Lease Line: 655 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+1/4	8+5/8	24	440	260	440	0
1ST	7+7/8	4+1/2	11.6	7,393	166	7,393	6,644

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

33. Comments No conductor casing will be set. Operator requests approval of Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window; waived by SUA. Mineral Resources requests a variance per rule 30312.

34. Location ID: 415021

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: Project Manager Date: 8/24/2010 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: 9/9/2010

API NUMBER

05 123 32202 00

Permit Number: _____ Expiration Date: 9/8/2012

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) 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
2529514	OTHER	LF@2537343 2529514
2529516	WAIVERS	LF@2537393 2529516
400083497	FORM 2 SUBMITTED	LF@2529935 400083497
400083525	TOPO MAP	LF@2529936 400083525
400083526	WELL LOCATION PLAT	LF@2529937 400083526
400083527	SURFACE AGRMT/SURETY	LF@2529938 400083527
400083529	SURFACE AGRMT/SURETY	LF@2529939 400083529
400083530	SURFACE AGRMT/SURETY	LF@2529940 400083530
400083531	LEGAL/LEASE DESCRIPTION	LF@2529941 400083531
400083534	EXCEPTION LOC REQUEST	LF@2529942 400083534
400086986	DEVIATED DRILLING PLAN	LF@2529943 400086986

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Operator requested to waive the remaining 20day comment period per rule 303I2. Waiver granted.	9/9/2010 3:00:40 PM
Permit	operator changed spacing unit to the W/2SE4	9/8/2010 1:19:38 PM

Total: 2 comment(s)

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