

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		DE ET OE ES	
APPLICATION FOR PERMIT TO:			Document Number: 400161127 Plugging Bond Surety 20000063	
1. <input checked="" type="checkbox"/> Drill, <input type="checkbox"/> Deepen, <input type="checkbox"/> Re-enter, <input type="checkbox"/> Recomplete and Operate				
2. TYPE OF WELL OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> COMMINGLE ZONE <input type="checkbox"/>			Refiling <input type="checkbox"/> Sidetrack <input type="checkbox"/>	
3. Name of Operator: <u>MULL DRILLING COMPANY INC</u>		4. COGCC Operator Number: <u>61250</u>		
5. Address: <u>1700 N WATERFRONT PKWY B#1200</u> City: <u>WICHITA</u> State: <u>KS</u> Zip: <u>67206-6637</u>				
6. Contact Name: <u>MARK SHREVE</u> Phone: <u>(316)264-6366</u> Fax: <u>(316)264-6440</u> Email: <u>MSHREVE@MULLDRILLING.COM</u>				
7. Well Name: <u>APC-MITCHEK</u>		Well Number: <u>1-19</u>		
8. Unit Name (if appl): <u>N/A</u>		Unit Number: <u>N/A</u>		
9. Proposed Total Measured Depth: <u>5000</u>				
WELL LOCATION INFORMATION				
10. QtrQtr: <u>Lot 1</u> Sec: <u>19</u> Twp: <u>14S</u> Rng: <u>44W</u> Meridian: <u>6</u> Latitude: <u>38.825400</u> Longitude: <u>-102.386260</u>				
Footage at Surface: <u>660</u> feet FNL/FSL <u>FNL</u> <u>660</u> feet FEL/FWL <u>FWL</u>				
11. Field Name: <u>TIMBER CREEK</u>		Field Number: <u>82000</u>		
12. Ground Elevation: <u>4285</u>		13. County: <u>CHEYENNE</u>		
14. GPS Data: Date of Measurement: <u>04/30/2011</u> PDOP Reading: <u>1.8</u> Instrument Operator's Name: <u>KEITH WESTFALL</u>				
15. If well is <input type="checkbox"/> Directional <input type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
17. Distance to the nearest building, public road, above ground utility or railroad: <u>660 ft</u>				
18. Distance to nearest property line: <u>660 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>5280 ft</u>				
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.)
MARMATON	MRTN			
MISSISSIPPIAN	MSSP			
SHAWNEE	SHWNE			

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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#: 20010165
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):
ALL SECTION 19-T14S-R44W, 6TH P.M.
25. Distance to Nearest Mineral Lease Line: 660 ft 26. Total Acres in Lease: 640

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: DRY AND BURY
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	12+1/2	13+3/8	48	0	400	400	400	0
1ST	12+1/4	8+5/8	24	0	1,700	75	1,700	1,500
2ND	7+7/8	5+1/2	15.5	0	5,600	250	5,600	3,700
			Stage Tool	0	3,100	450	3,100	0

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None
33. Comments **NO CONDUCTOR CASING WILL BE SET. INTERMEDIATE CASING WILL ONLY BE RUN IF NECESSARY DUE TO LOST CIRCULATION.**

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: MARK SHREVE
Title: PRESIDENT/COO Date: 5/5/2011 Email: MSHREVE@MULLDRILLING.

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. Nesline Director of COGCC Date: 6/10/2011

API NUMBER
05 017 07704 00 Permit Number: _____ Expiration Date: 6/9/2013

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 Craig Quint at 719-767-8939 or e-mail at craig.quint@state.co.us.
- 2) Note increased surface (13 3/8") casing depth. Set at least 450' of surface casing per Rule 317d due to WW depths. Setting depth must also be at least 50' into Pierre Shale. Cement to surface.
- 3) If intermediate (8 5/8") casing is used and is not cemented to above the surface casing shoe (proposed TOC is 1500'), top of production casing cement must be at least 100' below the surface casing shoe' (TOC between 1700' and 550') to allow 5 1/2" casing to be cut at least 50' below surface casing shoe for eventual plugging considerations. Verify w/ CBL.
- 4) If production (5 1/2") casing is set provide cement coverage from TD to at least 200' above the Shwne and stage cement Cheyenne/Dakota interval (2300' – 1700' minimum). Proposed stage cement was 3100' to surface, however the TOC should allow for eventual plugging considerations (see COA #3). If no intermediate casing is used the production casing may be cemented to surface as originally proposed. Verify w/ CBL.
- 5) If well is a dry hole set the following plugs: 40 sks cement +/- 50' above the Spgn, 40 sks cement +/- 50' above the Shwne, 40 sks cement across any DST w/ show, 40 sks cement 100' below base of Cheyenne (2300' up), 40 sks cement 50' above top of Dakota (1700' up), 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface csg, cut 4 ft below GL, weld on plate, 5 sks cement each in rat hole and mouse hole.

Attachment Check List

Att Doc Num	Name
2566872	SURFACE CASING CHECK
400161127	FORM 2 SUBMITTED
400161140	WELL LOCATION PLAT
400161143	TOPO MAP
400162010	30 DAY NOTICE LETTER

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Sorry about that – please change to Lot 1.Thanks, Mark	6/7/2011 10:30:31 AM
Permit	Requested change from NWNW to Lot 1. Emailed Mark Shreve. BY	6/7/2011 10:15:07 AM

Total: 2 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Construction	ACCESS ROAD, WELL PAD AND PIT DISTURBANCES MINIMIZED. SOILS SEGREGATED BY TYPE TO FACILITATE RECLAMATION. STORM WATER CONTROLS DEPLOYED AND ROUTINELY INSPECTED.
Wildlife	DEVELOPMENT AND IMPLEMENTATION OF A WILDLIFE MANAGEMENT PLAN IF PROTECTED SPECIES ARE PRESENT.
Drilling/Completion Operations	IMPLEMENT STORM WATER POLLUTION PREVENTION PLAN, INCLUDING ROUTINE INSPECTIONS AND EVALUATION OF EFFECTIVENESS. LOCATE TANK BATTERIES AT A SAFE DISTANCE FROM PUBLIC ROADWAYS AND RAILHEAD. FULL CONTAINMENT FOR STOCK TANKS AND SEPARATORS. INSTALLATION OF PIPELINES IN COMMON TRENCHES WHEN PRACTICAL. INSTALLATION OF PIPELINES AT RIGHT ANGLES TO WATER BODIES (DRAINAGES, WETLANDS, PERENNIAL WATER BODIES) WHERE PRACTICAL.

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Planning	CONDUCT INITIAL SITE ASSESSMENT: IDENTIFICATION OF NEARBY WATER BODIES. IDENTIFICATION OF VEGETATION TYPES. IDENTIFICATION OF PROTECTED WILDLIFE SPECIES. IDENTIFICATION OF POTENTIAL ACCESS ROUTES TO MINIMIZE DISTURBANCES. IDENTIFICATION OF NEARBY IMPROVEMENTS..
Final Reclamation	ALL EQUIPMENT AND DEBRIS REMOVED. ALL REMAINING DISTURBED AREAS, INCLUDING ACCESS ROADS, RECLAIMED. NOXIOUS WEED CONTROL PLAN DEVELOPED, IF APPROPRIATE.
General Housekeeping	DRILLING AND PRODUCTION OPERATIONS CONDUCTED IN SAFE, WORKMANLIKE MANNER. SAFETY EXPECTATIONS INCLUDE GOOD HOUSEKEEPING. DURING DRILLING/COMPLETION OPERATIONS, DEBRIS STORED IN CAGED CONTAINER WHICH IS REMOVED FROM THE SITE. DURING PRODUCTION OPERATIONS, THE LEASE IS INSPECTED DAILY BY MDC PERSONNEL.
Storm Water/Erosion Control	DURING DRILLING/COMPLETION OPERATIONS, IMPLEMENTATION OF STORM WATER POLLUTION PREVENTION PLAN. FOLLOWING DRILLING/COMPLETION OPERATIONS, PROMPT RECLAMATION OF DISTURBED AREAS. DURING PRODUCTION OPERATIONS, IMPLEMENTATION OF MDC'S POST CONSTRUCTION STORM WATER MANAGEMENT PROGRAM.
Interim Reclamation	DEBRIS AND WASTE MATERIAL REMOVED. AREAS NOT IN USE RECLAIMED PROMPTLY, PITS CLOSED USING SEGREGATED MATERIAL, WELL PAD AND OTHER COMPACTED SURFACES RIPPED. NOXIOUS WEEDS CONTROLLED.
Material Handling and Spill Prevention	DURING DRILLING/COMPLETION OPERATIONS, STORAGE AREAS GRADED TOWARDS PITS. DURING PRODUCTION OPERATIONS, IMPLEMENTATION OF SPILL PREVENTION, CONTROL AND COUNTERMEASURE PLAN & DAILY INSPECTION. ALL STOCK AND PRODUCED WATER TANKS HAVE SECONDARY CONTAINMENT.
Pre-Construction	PREPARATION OF A STORM WATER POLLUTION PREVENTION PLAN. ACQUISITION OF A STORM WATER DISCHARGE PERMIT. CONSULTATION WITH THE SURFACE LANDOWNER OR APPOINTED AGENT. FINALIZE ACCESS ROUTES. FINALIZE WELL PAD LOCATION TO MINIMIZE SURFACE GRADE IMPACTS. FINALIZE WELL PAD LAYOUT TO MINIMIZE DISTURBANCES. DEVELOP WILDLIFE MANAGEMENT PLAN IF PROTECTED SPECIES ARE PRESENT.

Total: 10 comment(s)