

APPLICATION FOR PERMIT TO:

1. **Drill,** Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COALBED OTHER _____

SINGLE ZONE MULTIPLE COMMINGLE

Refiling
Sidetrack

Document Number:
400187611

PluggingBond SuretyID
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: Westmoor 5 Well Number: 2-6-2

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

9. Proposed Total Measured Depth: 8757

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 2 Twp: 5N Rng: 66W Meridian: 6
Latitude: 40.431040 Longitude: -104.739450

Footage at Surface: 2313 feet FNL 1240 feet FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4701 13. County: WELD

14. GPS Data:
Date of Measurement: 04/29/2011 PDOP Reading: 1.6 Instrument Operator's Name: Z. Waddle

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

Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL

1309 FSL 1427 FWL 1309 FSL 1427 FWL

Sec: 2 Twp: 5N Rng: 66W Sec: 2 Twp: 5N Rng: 66W

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: 400 ft

18. Distance to nearest property line: 320 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 3395 ft

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.)
J Sand	JSND	Unspaced	40	SW/4
Niobrara-Codell	NB-CD	407-87	160	SW/4

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 oil and gas lease map.

25. Distance to Nearest Mineral Lease Line: 1309 ft 26. Total Acres in Lease: 48

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: _____

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+1/4	8+5/8	24	0	440	264	440	0
1ST	7+7/8	4+1/2	11.6	0	8,757	346	8,757	7,373

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

33. Comments No conductor casing will be set.

34. Location ID: 423325

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: 10/7/2011 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. Nesline Director of COGCC Date: 11/1/2011

API NUMBER
05 123 34640 00

Permit Number: _____ Expiration Date: 10/31/2013

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 Jim Precup via e-mail at jim.precup@state.co.us.
- 2) Comply with Rule 317.i and provide cement coverage from the end of the production casing to a minimum of 200' above the Niobrara. Verify coverage with a cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from the end of production casing to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.
- 4) At least two weeks prior to spud notice, the centralizer and cementing plans shall be submitted to the COGCC for review on a Form 4, Sundry Notice.
- 5) At least one well on the pad must have a complete set of open hole logs (Compensated Neutron, Dual Induction, Resistivity, etc.) run from TD to surface and submitted to the COGCC.
- 6) Four hours prior to running any casing, notification shall be provided to Ryan Hollinshead, COGCC Engineer at 303-894-2100 x5134.
- 7) Bradenhead pressures shall be taken 6, 12, 24 and 48 hours after cementing production casing and prior to stimulation of the well. Once stimulation is complete, the bradenhead pressure shall be recorded at 24 hours, at 48 hours and at one week post-stimulation. Bradenhead pressures greater than 100 psi must be immediately reported on a Form 17 to the COGCC, sent to the attention of Ryan Hollinshead.
- 8) All bradenhead pressures shall be monitored with a gauge that has a maximum reading of one thousand pounds per square inch (psi).
- 9) Circulation prior to cementing shall be done to accepted industry standards.

Water sampling required. Corrected spacing as per Opr - Collin. Ready to pass pending public comment 11/1/11.

Attachment Check List

Att Doc Num	Name
2481226	SURFACE CASING CHECK
400187611	FORM 2 SUBMITTED
400211999	LEASE MAP
400212000	EXCEPTION LOC REQUEST
400212001	DEVIATED DRILLING PLAN
400212002	OIL & GAS LEASE
400212003	SURFACE AGRMT/SURETY
400212872	WELL LOCATION PLAT

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete	11/1/2011 9:11:56 AM

Total: 1 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	A closed loop system will be used for drilling fluids.

Total: 1 comment(s)