

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:

400237558

PluggingBond SuretyID

20000063

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 ☐

3. Name of Operator: MULL DRILLING COMPANY INC

4. COGCC Operator Number: 61250

5. Address: 1700 N WATERFRONT PKWY B#1200

City: WICHITA State: KS Zip: 67206-6637

6. Contact Name: MARK SHREVE Phone: (316)264-6366 Fax: (316)264-6440

Email: MSHREVE@MULLDRILLING.COM

7. Well Name: LARSEN UNIT Well Number: 1-24

8. Unit Name (if appl): N/A Unit Number: N/A

9. Proposed Total Measured Depth: 5000

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 24 Twp: 17S Rng: 45W Meridian: 6

Latitude: 38.563400

Longitude: -102.414120

Footage at Surface: 2537 feet FSL 923 feet FWL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 4109 13. County: KIOWA

14. GPS Data:

Date of Measurement: 12/07/2011 PDOP Reading: 3.1 Instrument Operator's Name: KEITH WESTFALL

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

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

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: 3840 ft

18. Distance to nearest property line: 923 19. Distance to nearest well permitted/completed in the same formation(BHL): 5280

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			
MORROW	MRRW			

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):

W/2 SECTION 24-17S-45W, 6TH P.M., KIOWA COUNTY, COLORADO

25. Distance to Nearest Mineral Lease Line: 923 ft

26. Total Acres in Lease: 320

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+1/4	8+5/8	24	0	300	200	300	0
1ST	7+7/8	5+1/2	15.5	0	5,000	250	5,000	3,500
			Stage Tool	0	2,300	300	2,300	0

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

33. Comments NO CONDUCTOR OR INTERMEDIATE CASING WILL BE SET.

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: 1/5/2012

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. Neslin

Director of COGCC

Date: 2/16/2012

API NUMBER

05 061 06871 00

Permit Number: _____ Expiration Date: 2/15/2014

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 by e-mail at craig.quint@state.co.us. Indicate Spud Notice in the subject line and provide the following information: Operator Name, Well Name and Number, API #, Spud Date, Contact Name, Contact Phone #, Email Address.
- 2) Ensure cement coverage of production casing to at least 200' above the shallowest productive interval (or 50' above Lnsq whichever is shallower) and 50' below to 50' above Cheyenne/Dakota (1700' - 1100'). Verify w/ CBL.
- 3) If well is a dry hole set the following plugs: 40 sks cement +/- 50' above the Mrrw, 40 sks cement +/- 50' above the Lansing, 40 sks cement across any DST w/ show, 40 sks cement 50' below base of Cheyenne (1700' up), 40 sks cement 50' above top of Dakota (1100' 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
1698801	H2S CONTINGENCY PLAN
2331451	SURFACE CASING CHECK
400237558	FORM 2 SUBMITTED
400237741	WELL LOCATION PLAT
400237744	TOPO MAP
400237746	30 DAY NOTICE LETTER

Total Attach: 6 Files

General Comments

User Group	Comment	Comment Date
Permit	Passed final review 2/13/2012 NKP	2/13/2012 8:24:50 AM
Permit	H2S plan rcd 2/10/2012	2/13/2012 8:10:19 AM
Permit	Email to opr 1/25/2012 requesting that Box 27 under Drilling Plans be checked yes and a contingency plan provided per Rule 607 due to the presence of hydrogen sulfide in the oil and gas fields surrounding the proposed location.	1/25/2012 4:55:39 PM
Permit	Operator changed #27 to no. This form has passed completeness.	1/6/2012 8:56:39 AM
Permit	Returned to draft. Missing H2S attachment.	1/5/2012 1:47:14 PM

Total: 5 comment(s)

BMP

Type	Comment
Final Reclamation	ALL EQUIPMENT AND DEBRIS REMOVED. ALL REMAINING DISTURBED AREAS, INCLUDING ACCESS ROADS, RECLAIMED. NOXIOUS WEED CONTROL PLAN DEVELOPED, IF APPROPRIATE.
Wildlife	DEVELOPMENT AND IMPLEMENTATION OF A WILDLIFE MANAGEMENT PLAN, IF PROTECTED SPECIES ARE PRESENT.
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.
Construction	ACCESS ROAD, WELL PAD AND PIT DISTURBANCES MINIMIZED. SOILS SEGREGATED BY TYPE TO FACILITATE RECLAMATION. STORM WATER CONTROLS DEPLOYED AND ROUTINELY INSPECTED.

Material Handling and Spill Prevention	DURING DRILLING/COMPLETION OPERATIONS, STORAGE AREAS GRADED TOWARDS PIT. DURING PRODUCTION OPERATIONS, IMPLEMENTATION OF SPILL PREVENTION, CONTROL AND COUNTERMEASURE PLAN & DAILY INSPECTIONS. ALL STOCK AND PRODUCED WATER TANKS HAVE SECONDARY CONTAINMENT.
Planning	CONDUCT INTIAL 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
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 MANANGEMENT PLAN, IF PROTECTED SPECIES ARE PRESENT.
Drilling/Completion Operations	INCLUDES STRUCTURAL PRACTICES: 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.
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.
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.
Site Specific	REPORTING OF THE PRESENCE OF H2S WILL BE DONE VIA VERBAL AND E-MAIL NOTICES. VERBAL NOTICE WITH A FOLLOW UP E-MAIL WILL BE PROVIDED AS SOON AS PRACTICABLE UPON DETECTION OF H2S TO COGCC'S AREA ENGINEER AND THE LOCAL GOVERNMENT DESIGNEE. PER EPHEMERAL STREAM 107' WEST OF STAKED LOCATION, STRUCTUAL PRACTICES WILL BE IMPLEMENTED AT THE SITE TO MINIMIZE EROSION AND SEDIMENT TRANSPORT. PRACTICES MAY INCLUDE BUT ARE NOT LIMITED TO: STRAW BALES, WATTLES/SEDIMENT CONTROL LOGS, SILT FENCES, EARTH DIKES, DRAINAGE SWALES, SEDIMENT TRAPS, SUBSURFACE DRAINS, PIPE SLOPE DRAINS, INLET PROTECTION, OUTLET PROTECTION, GABIONS AND TEMPORARY SEDIMENT BASINS.

Total: 11 comment(s)