

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



Document Number:

400254451

Date Received:

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 ☐

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: Island Grove Well Number: 2-32

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

9. Proposed Total Measured Depth: 11973

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 32 Twp: 6N Rng: 65W Meridian: 6

Latitude: 40.441670 Longitude: -104.695660

Footage at Surface: 1627 feet FNL/FSL FSL 272 feet FEL/FWL FWL

11. Field Name: Greeley Field Number: 32760

12. Ground Elevation: 4647 13. County: WELD

14. GPS Data:

Date of Measurement: 05/18/2011 PDOP Reading: 0.9 Instrument Operator's Name: Zack 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
 460 FSL 1330 FWL 460 FNL 1323 FWL
 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: 224 ft

18. Distance to nearest property line: 217 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 873 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.)
NIOBRARA	NBRR		320	GWA

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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 ☐ No23b. 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 lease map and oil and gas lease.

25. Distance to Nearest Mineral Lease Line: 460 ft

26. Total Acres in Lease: 64

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	9+5/8	36	0	1,575	835	1,575	0
1ST	8+3/4	7	26	0	7,590	180	7,590	6,393
1ST LINER	6+1/8	4+1/2	11.6	7540	11,973			

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

33. Comments First string top of cement will be 200' above the Niobrara formation. The production liner will be hung off the inside of the 7" casing. No conductor casing will be used.

34. Location ID: 423393

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: _____ 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: _____ Director of COGCC Date: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

Att Doc Num	Name
400254455	DIRECTIONAL DATA
400256415	OIL & GAS LEASE
400256417	SURFACE AGRMT/SURETY
400256420	EXCEPTION LOC REQUEST
400256421	WELL LOCATION PLAT
400256422	LEASE MAP
400256423	DEVIATED DRILLING PLAN

Total Attach: 7 Files

General Comments

User Group	Comment	Comment Date

Total: 0 comment(s)

BMP

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

Total: 1 comment(s)