

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

2288370

Date Received:

04/25/2012

PluggingBond SuretyID

20110010

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: KUENZLER & FLORA RESERVE COMPANY

4. COGCC Operator Number: 10299

5. Address: 3310 W AQUEDUCT AVE

City: LITTLETON State: CO Zip: 80123

6. Contact Name: JAKE FLORA Phone: (720)988-5375 Fax: ()

Email: JAKEFLORA@KFRCORP.COM

7. Well Name: KERNE-SHARPE Well Number: 1-22

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

9. Proposed Total Measured Depth: 5402

WELL LOCATION INFORMATION

10. QtrQtr: SWNW Sec: 22 Twp: 13S Rng: 44W Meridian: 6

Latitude: 38.908510 Longitude: -102.331280

Footage at Surface: 1964 feet FNL 612 feet FWL

11. Field Name: WILDCAT Field Number: _____

12. Ground Elevation: 4235 13. County: CHEYENNE

14. GPS Data:

Date of Measurement: 02/29/2012 PDOP Reading: 2.4 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: 1994 ft

18. Distance to nearest property line: 612 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5898 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.)
CHEROKEE	CHRK			
FORT SCOTT	FRSC			
MARMATON	MRTN			
SHAWNEE	SHWNE			

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):

SEC. 22 ALL 13S 44W 6PM

25. Distance to Nearest Mineral Lease Line: 612 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: EVAPORITE PIT

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	347	225	347	0
1ST	7+7/8	4+1/2	10.5	0	5,400	300	5,400	3,500

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

33. Comments FORM 4 DOC # 2288383

34. Location ID: 380757

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: JAKE FLORA

Title: ENGINEER, AGENT Date: 4/25/2012 Email: JAKEFLORA@KFRRCORP.CO

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: 5/23/2012

API NUMBER
05 017 06912 00

Permit Number: _____ Expiration Date: 5/22/2014

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 48 hour notice of spud via electronic Form 42.
- 2) Cement production casing from TD to at least 200' above shallowest completed interval or 200' above Fort Scott whichever is higher. Stage cement from 2550-1950 (Cheyenne-Dakota). Run CBL to verify cemented intervals.

Attachment Check List

Att Doc Num	Name
2288370	FORM 2 SUBMITTED
2288371	WELL LOCATION PLAT
2288372	TOPO MAP
2288373	MINERAL LEASE MAP
2288374	30 DAY NOTICE LETTER

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review passed 5/22/2012 NKP	5/22/2012 1:17:04 PM
Permit	Per opr, production casing top is surface (0), surface owner is mineral owner, with signature on lease, and there are no plans to test the Mississippian.	5/21/2012 7:34:58 AM
Permit	Email to opr to verify surface/mineral owner relationship, nearest permitted production in same formation and casing/liner top. 5/7/2012 NKP	5/7/2012 12:24:30 PM

Total: 3 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)