

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:

400296804

Date Received:

06/19/2012

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: CHAMPLIN-FIGGINS

Well Number: 3

8. Unit Name (if appl):

Unit Number:

9. Proposed Total Measured Depth: 5500

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 27 Twp: 13S Rng: 44W Meridian: 6

Latitude: 38.890270

Longitude: -102.330980

Footage at Surface: 1980 feet FNL/FSL 660 feet FEL/FWL

11. Field Name: Smoky Creek

Field Number: 77560

12. Ground Elevation: 4280.07

13. County: CHEYENNE

14. GPS Data:

Date of Measurement: 05/31/2012 PDOP Reading: 2.7 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: 660 ft

18. Distance to nearest property line: 660 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1260 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.)
MARMATON	MRTN			
MISSISSIPPIAN	MSSP			
SHAWNEE	SHWNE			

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#: 2001016523a. 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 SW/4 SECTION 27, TOWNSHIP 13 SOUTH, RANGE 44 WEST, 6TH P.M.

25. Distance to Nearest Mineral Lease Line: 660 ft 26. Total Acres in Lease: 80

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 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	17+1/2	13+3/8	48	0	370	370	370	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	5,500	250	5,500	3,700
			Stage Tool	0	3,100	230	3,100	1,500

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: 6/19/2012 Email: MSHREVE@MULLDRILLING.

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: 7/13/2012

API NUMBER

05 017 07721 00

Permit Number: _____ Expiration Date: 7/12/2014

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 prior to spud via electronic Form 42.
- 2) If production casing is set provide cement coverage to at least 200' above the shallowest completed interval and stage cement Cheyenne/Dakota (2550'-2000' minimum). Run and submit CBL to verify cemented intervals.
- 3) If well is a dry hole set plugs at the following depths: 40 sks cement +/- 50' above the SPGN, 40 sks cement +/- 50' above the MRRW, 40 sks cement +/- 50' above the MRTN, 40 sks cement +/- 50' above the SHWNE, 40 sks cement across any DST w/ show, 40 sks cement at 2550' up, 40 sks cement at 2000' up, 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface casing, 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
400296804	FORM 2 SUBMITTED
400297069	30 DAY NOTICE LETTER
400297075	TOPO MAP
400297076	WELL LOCATION PLAT
400297128	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 7/12/2012 NKP	7/12/2012 6:40:18 AM
Permit	Per opr nearest production is at 1260 ft, nearest building is at 4200 ft.	7/10/2012 3:19:40 PM
Permit	Email to opr to verify distance to nearest permitted production and building 7/10/2012 NKP	7/10/2012 2:41:23 PM

Total: 3 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
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.
Final Reclamation	ALL EQUIPMENT AND DEBRIS REMOVED. ALL REMAINING DISTURBED AREAS, INCLUDING ACCESS ROADS, RECLAIMED. NOXIOUS WEED CONTROL PLAN DEVELOPED, IF APPROPRIATE.
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 INSPECTION. ALL STOCK AND PRODUCED WATER TANKS HAVE SECONDARY CONTAINMENT.
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.

General Housekeeping	<p>DRILLING AND PRODUCTION OPERATIONS CONDUCTED IN SAFE, WORKMANLIKE MANNER. SAFETY EXPECTATIONS INCLUDE GOOD HOUSEKEEPING.</p> <p>DURING DRILLING/COMPLETION OPERATIONS, DEBRIS STORED IN CAGED CONTAINER WHICH IS REMOVED FROM THE SITE.</p> <p>DURING PRODUCTION OPERATIONS, THE LEASE IS INSPECTED DAILY BY MDC PERSONNEL.</p>
Site Specific	<p>MULL DRILLING COMPANY, INC. CONDUCTS ITS EXPLORATION AND PRODUCTION OPERATIONS IN ACCORDANCE WITH APPLICABLE FEDERAL, STATE AND LOCAL REGULATIONS.</p> <p>PER EPHEMERAL STREAM 530' NORTHEAST OF PROPOSED WELL PAD, STRUCTURAL 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.</p>
Wildlife	<p>DEVELOPMENT AND IMPLEMENTATION OF A WILDLIFE MANAGEMENT PLAN, IF PROTECTED SPECIES ARE PRESENT.</p>
Drilling/Completion Operations	<p>INCLUDES STRUCTURAL PRACTICES:</p> <p>IMPLEMENT STORM WATER POLLUTION PREVENTION PLAN, INCLUDING ROUTINE INSPECTIONS AND EVALUATION OF EFFECTIVENESS.</p> <p>LOCATE TANK BATTERIES AT SAFE DISTANCE FROM PUBLIC ROADWAYS AND RAILHEAD.</p> <p>FULL CONTAINMENT FOR STOCK TANKS AND SEPARATORS.</p> <p>INSTALLATION OF PIPELINES IN COMMON TRENCHES, WHEN PRACTICAL.</p> <p>INSTALLATION OF PIPELINES AT RIGHT ANGLES TO WATER BODIES (DRAINAGES, WETLANDS, PERENNIAL WATER BODIES) WHERE PRACTICAL.</p>
Pre-Construction	<p>PREPARATION OF A STORM WATER POLLUTION PREVENTION PLAN.</p> <p>ACQUISITION OF A STORM WATER DISCHARGE PERMIT.</p> <p>CONSULTATION WITH THE SURFACE LANDOWNER OR APPOINTED AGENT.</p> <p>FINALIZE ACCESS ROUTES.</p> <p>FINALIZE WELL PAD LOCATION TO MINIMIZE SURFACE GRADE IMPACTS.</p> <p>FINALIZE WELL PAD LAYOUT TO MINIMIZE DISTURBANCES.</p> <p>DEVELOP WILDLIFE MANAGEMENT PLAN IF PROTECTED SPECIES ARE PRESENT.</p>
Construction	<p>ACCESS ROAD, WELL PAD AND PIT DISTURBANCES MINIMIZED.</p> <p>SOILS SEGREGATED BY TYPE TO FACILITATE RECLAMATION.</p> <p>STORM WATER CONTROLS DEPLOYED AND ROUTINELY INSPECTED.</p>

Total: 10 comment(s)