

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:

2237177

Date Received:

06/19/2012

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: ZANE KUENZLER Phone: (720)261-2019 Fax: (303)220-0795

Email: ZANEKUENZLER@KFRCORP.COM

7. Well Name: HARLEY Well Number: 1

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

9. Proposed Total Measured Depth: 5800

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 5 Twp: 14S Rng: 44W Meridian: 6

Latitude: 38.864690 Longitude: -102.363090

Footage at Surface: 1800 feet FNL 1945 feet FWL

11. Field Name: CHEYENNE WELLS Field Number: 11050

12. Ground Elevation: 4298.74 13. County: CHEYENNE

14. GPS Data:

Date of Measurement: 06/12/2012 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: 217 ft

18. Distance to nearest property line: 1800 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5139 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.)
LANSING	LNSNG			
MARMATON	MRTFS			
MISSISSIPPIAN	MSSP	212-15		
TOPEKA	TOPK			

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):
 ALL: SECTION 5, T14S R44W 6TH P.M., CHEYENNE COUNTY, COLORADO

25. Distance to Nearest Mineral Lease Line: 1800 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: EVAPORATIVE PITS

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	20	0	400	200	400	0
1ST	7+7/8	5+1/2	15.5	0	5,800	240	5,800	4,500
S.C. 1.1					4,150	250	4,150	3,500
S.C. 1.2					2,300		2,300	1,750

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

33. Comments No conductor casing will be used.

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: ZANE KUENZLER

Title: PRESIDENT Date: 6/18/2012 Email: ZANEKUENZLER@KFRCORP.

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: 7/26/2012

API NUMBER **05 017 07722 00** Permit Number: _____ Expiration Date: 7/25/2014

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 Form 42.
- 2) Set at least 400' of surface casing due to WW depths w/in 1 mile.
- 3) If production casing is set provide cement coverage from TD to 200' above the shallowest completed interval and stage cement Cheyenne/Dakota (minimum 2300' to 1750'). Run and submit CBL to verify cemented intervals.
- 4) 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 SHWNE, 40 sks cement across any DST w/ show, 40 sks cement at 2300' up, 40 sks cement at 1750' 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
2170049	SURFACE CASING CHECK
2237177	FORM 2 SUBMITTED
2237178	WELL LOCATION PLAT
2237179	TOPO MAP
2237180	MINERAL LEASE MAP
2237181	SURFACE AGRMT/SURETY

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review passed 7/24/2012 NKP	7/24/2012 4:54:22 PM
Permit	Corrected the plugging bond number and added a comment re: no conductor casing. Per telephone conversation with Zane Kuenzler.	6/20/2012 1:11:52 PM
Data Entry	CHECK STAGE TOOL ENTRY	6/20/2012 9:51:36 AM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)