

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:

400328740

Date Received:

09/27/2012

PluggingBond SuretyID

20020080

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: GRAND MESA OPERATING CO

4. COGCC Operator Number: 35080

5. Address: 1700 N. WATERFRONT PKWY BL 600

City: WICHITA State: KS Zip: 67206

6. Contact Name: Ronald Sinclair Phone: (316)265-3000 Fax: (316)265-3455

Email: rsinclair@gmocks.com

7. Well Name: APC-Martin Well Number: 1-3

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

9. Proposed Total Measured Depth: 8000

WELL LOCATION INFORMATION

10. QtrQtr: NE/SE Sec: 3 Twp: 10S Rng: 55W Meridian: 6

Latitude: 39.205420 Longitude: -103.532870

Footage at Surface: 1743 feet FNL/FSL FSL 1539 feet FEL/FWL FEL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 5237 13. County: LINCOLN

14. GPS Data:

Date of Measurement: 09/06/2012 PDOP Reading: 1.8 Instrument Operator's Name: Keith Westfall-High Prarie Survey

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: 9404 ft

18. Distance to nearest property line: 1539 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 14304 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.)
ATOKA	ATOK			
CHEROKEE	CHRK			
LANSING	LNSNG			
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):

ALL of Section 3, Township 10 South, Range 55 West, 6th Meridian

25. Distance to Nearest Mineral Lease Line: 1539 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: DRY/BURYING

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
CONDUCTOR	17+1/2	13+3/8	48	0	60	100	60	0
SURF	12+1/4	8+5/8	24	0	350	200	350	0
1ST	7+7/8	5+1/2	15.5	0	8,000	150	8,000	6,500
			Stage Tool		4,500	325	4,500	3,900

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

33. Comments 60' of 13 3/8" conductor casing will be used. Operator will use closed loop system.

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: Ronald N. Sinclair

Title: President Date: 9/27/2012 Email: rsinclair@gmocks.com

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: Matthew Lee Director of COGCC Date: 11/7/2012

API NUMBER **05 073 06488 00** Permit Number: _____ Expiration Date: 11/6/2014

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 ensure cement coverage of Dakota interval: 100' below to 50' above. Run and submit CBL to verify all cemented intervals.
- 3) If well is a dry hole set plugs at the following depths: 40 sks cement +/- 50' above the Cherokee, 40 sks cement across any DST w/ show, 40 sks cement 100' below base of Dakota, 40 sks cement 50' above top of D-Sand, 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
400328740	FORM 2 SUBMITTED
400328849	WELL LOCATION PLAT
400330120	SURFACE AGRMT/SURETY
400330122	WAIVERS
400330123	30 DAY NOTICE LETTER
400330793	SURFACE OWNER CONSENT

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	11/6/2012 11:55:20 AM

Total: 1 comment(s)

BMP

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

Total: 0 comment(s)