

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:

400322435

Date Received:

10/18/2012

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

20020080

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: pbrewer@gmocks.com

7. Well Name: PUNKIN-STATE Well Number: 1-4

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

9. Proposed Total Measured Depth: 8000

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 4 Twp: 10S Rng: 55W Meridian: 6

Latitude: 39.203160 Longitude: -103.552100

Footage at Surface: 877 feet FNL/FSL 1419 feet FEL/FWL FEL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 5277 13. County: LINCOLN

14. GPS Data:

Date of Measurement: 09/06/2012 PDOP Reading: 1.8 Instrument Operator's Name: Keith Westfall-High Prairie 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: 5235 ft

18. Distance to nearest property line: 877 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 10014 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):
Section 4, Township 10 South, Range 55 West, of the 6th Meridan

25. Distance to Nearest Mineral Lease Line: 877 ft 26. Total Acres in Lease: 634

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		4,600	325	4,600	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: 10/18/2012 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: 11/20/2012

API NUMBER: **05 073 06489 00** Permit Number: _____ Expiration Date: 11/19/2014

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) If production casing is set provide cement coverage to at least 200' above the shallowest completed interval and stage cement Cheyenne/Dakota (4600'-4050' 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 MRRW, 40 sks cement +/- 50' above the LNSG, 40 sks cement across any DST w/ show, 40 sks cement at 4600' up, 40 sks cement at 4050' 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.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400322435	FORM 2 SUBMITTED
400337277	WELL LOCATION PLAT
400337278	TOPO MAP
400337822	30 DAY NOTICE LETTER

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	11/14/2012 10:54:49 AM
Permit	State Land Board notified. Compliance verified.	11/14/2012 10:50:07 AM
Permit	Operator verified lease as the whole section.	10/25/2012 7:28:00 AM
LGD	LGD Passed this form	10/22/2012 2:09:19 PM
Permit	Changed lease description to all of section 4 rather than SESE of sec 4.	10/22/2012 1:28:03 PM
Permit	Operator amended 30 day notice letter, which now provides actual 30 day notice. This form passed completeness.	10/22/2012 12:55:10 PM
Permit	Return to draft: 1. 30 day notice does not provide actual 30 day notice due to the general/overbroad language contained in notice, "plans to drill a well... in the last quarter of 2012." Last quarter is 10/1/12 to 12/31/12; letter dated 10/10/12. Therefore, depending on the date of mailing/proof of mailing &/or date of letter, this notice does not provide the 30 day required notice per Rule 305.e. 2. Requested operator to attach the consult notice to the Form 2A, as it provides surface owner instructions and OGLA should have copy; email to operator indicated that this is only a request and is not part of completeness pass.	10/20/2012 2:26:54 PM

Total: 7 comment(s)

BMP

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

Total: 0 comment(s)