

FORM
2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

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Document Number:

400403357

Date Received:

04/15/2013

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: APC-CAROLE Well Number: 2-13

8. Unit Name (if appl): N/A Unit Number: N/A

9. Proposed Total Measured Depth: 5600

WELL LOCATION INFORMATION

10. QtrQtr: SWNW Sec: 13 Twp: 16S Rng: 45W Meridian: 6

Latitude: 38.667360 Longitude: -102.417980

Footage at Surface: 1980 feet FNL 605 feet FWL

11. Field Name: GOLDEN SPIKE Field Number: 30650

12. Ground Elevation: 4349.05 13. County: CHEYENNE

14. GPS Data:

Date of Measurement: 01/22/2013 PDOP Reading: 3.1 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: 2879 ft

18. Distance to nearest property line: 605 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1321 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.)
MARMATON	MRTN			
MISSISSIPPIAN	MSSP			
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#: 20010165

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):

W/2 SECTION 13-16S-45W, 6TH P.M.

25. Distance to Nearest Mineral Lease Line: 605 ft 26. Total Acres in Lease: 320

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 AND 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	12+1/2	8+5/8	24	0	600	400	300	0
1ST	7+7/8	5+1/2	15.5	0	5,600	250	5,600	4,100
	7+7/8	5+1/2	Stage Tool	0	2,900	450	2,900	0

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

33. Comments NO CONDUCTOR CASING WILL BE SET.

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: 4/15/2013 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: Matthew Lee Director of COGCC Date: 5/11/2013

API NUMBER

05 017 07749 00

Permit Number: _____ Expiration Date: 5/10/2015

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 or MSSP whichever is shallower and stage cement Cheyenne/Dakota (2125'-1475' 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 MSSP, 40 sks cement +/- 50' above the LNSG, 40 sks cement across any DST w/ show, 40 sks cement at 2125' up, 40 sks cement at 1475' 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
400403357	FORM 2 SUBMITTED
400404166	PLAT
400404167	TOPO MAP
400404169	30 DAY NOTICE LETTER
400404203	H2S CONTINGENCY PLAN

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	5/8/2013 12:01:31 PM
Permit	The well location falls within an area that potentially may have measureable levels of H2S gas. H2S contingency plan attached.	4/16/2013 11:02:17 AM

Total: 2 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
General Housekeeping	<ul style="list-style-type: none"> • Drilling and production operations conducted in safe, workmanlike manner. Safety expectations include good housekeeping. • During drilling/completion operations, debris stored in caged container which is removed from the site. • During production operations, the lease is inspected daily by MDC personnel.
Final Reclamation	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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
Wildlife	<ul style="list-style-type: none"> • Development and implementation of a Wildlife Management Plan if protected species are present
Interim Reclamation	<ul style="list-style-type: none"> • Debris and waste material removed • Areas not in use reclaimed promptly; pits closed using segregated material; well pad and other compacted surfaces ripped • Noxious weeds controlled

Site Specific	Mull Drilling Company (MDC) conducts its exploration and production operations in accordance with applicable Federal, State and local regulations. In addition, MDC will implement the following Best Management Practices at the APC Carole #2-13. Per dry ephemeral stream 287 feet south west 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.
Drilling/Completion Operations	Includes Structural Practices: <ul style="list-style-type: none"> • Implement Storm Water Pollution Prevention Plan, including routine inspections and evaluation of effectiveness • Locate tank batteries at safe distance from public roadways and railhead • Full containment for stock tanks and separators • Installation of pipelines in common trenches when practical • Installation of pipelines at right angles to water bodies (drainages, wetlands, perennial water bodies) where practical
Storm Water/Erosion Control	<ul style="list-style-type: none"> • 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
Planning	<ul style="list-style-type: none"> • Conduct Initial Site Assessment <ul style="list-style-type: none"> o Identification of nearby water bodies o Identification of vegetation types o Identification of protected wildlife species o Identification of potential access routes to minimize disturbances o Identification of nearby improvements
Pre-Construction	<ul style="list-style-type: none"> • Preparation of a Storm Water Pollution Prevention Plan. Acquisition of a Storm Water Discharge Permit • Consultation with the surface landowner or appointed agent • Finalize access routes • Finalize well pad location to minimize surface grade impacts • Finalize well pad layout to minimize disturbances • Develop wildlife management plan if protected species are present
Construction	<ul style="list-style-type: none"> • Access road, well pad and pit disturbances minimized • Soils segregated by type to facilitate reclamation • Storm water controls deployed and routinely inspected

Total: 11 comment(s)