

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



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Date Received:

06/26/2013

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: Michael Reilly Phone: (316)265-3000 Fax: (316)265-3455

Email: pbrewer@gmocks.com

7. Well Name: K-M Well Number: 1-2

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

9. Proposed Total Measured Depth: 8000

WELL LOCATION INFORMATION

10. QtrQtr: SE/NW Sec: 2 Twp: 2S Rng: 52W Meridian: 6

Latitude: 39.909470 Longitude: -103.171800

Footage at Surface: 2384 feet FNL/FSL 2540 feet FEL/FWL
 FNL FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 4672 13. County: WASHINGTON

14. GPS Data:

Date of Measurement: 05/21/2013 PDOP Reading: 1.8 Instrument Operator's Name: Elijah Frane-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: 2384 ft

18. Distance to nearest property line: 253 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 12523 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			
DAKOTA-JSND	DK-J			
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):

N/2 (several mineral owners associated with the N/2); Section 2-2S-52W, Washington County, Colorado; Unitizing the entire section 2 (unit sits in cent of section 2). Actual drilling site NW/4 - surface owner is not the mineral owner.

25. Distance to Nearest Mineral Lease Line: 253 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/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	8000	150	8000	6500
			Stage Tool		4500	325	4500	3900

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

33. Comments Intermediate casing will only be ran if necessary due to loss of circulation. A closed loop system 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: Michael J. Reilly

Title: President Date: 6/26/2013 Email: pbrewer@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: 8/17/2013

API NUMBER
05 121 11033 00

Permit Number: _____ Expiration Date: 8/16/2015

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.

COA Type	Description
	1) Provide 48 hour notice prior to spud via electronic Form 42. 2) Provide cement coverage from TD to a minimum of 200' above NBRR. Verify coverage with cement bond log. 3) If dry hole, set 40 sks cement at top of J-Sand, 40 sks cement at top of NBRR, 40 sks cement across any DST w/ show, 50 sks cement ½ out, ½ in surface casing, 15 sks cement top of surface casing, cut 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole.
	Requested review as the nearest lease line is only 253' and 318a would be no less than 600'.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
1792812	OTHER
400426320	FORM 2 SUBMITTED
400430481	PLAT
400436847	30 DAY NOTICE LETTER
400438945	CONSULT NOTICE
400438947	SURFACE AGRMT/SURETY
400439194	CORRESPONDENCE

Total Attach: 7 Files

General Comments

User Group	Comment	Comment Date
Permit	Final review completed. No LGD or public comments.	8/16/2013 8:38:56 AM
Permit	Received declaration of pooling and map.	8/16/2013 8:38:30 AM
Permit	Requested a Declaration of Pooling with map, as for the S-V 1-2.	8/8/2013 12:49:09 PM
Permit	Passes completeness.	6/27/2013 10:02:13 AM

Total: 4 comment(s)

Best Management Practices

No	BMP/COA Type	Description