

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:

400439470

Date Received:

07/19/2013

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: S-V Well Number: 1-2

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

9. Proposed Total Measured Depth: 8000

WELL LOCATION INFORMATION

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

Latitude: 39.904870 Longitude: -103.171140

Footage at Surface: 1208 feet FNL/FSL 2370 feet FEL/FWL FEL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 4671 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: 1208 ft

18. Distance to nearest property line: 270 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 28 mi

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):
SE/4 Sec. 2-2S-52W; Unit between the SE/4 & SW/4 of Sec. 2-2S-52W (40acre unit)

25. Distance to Nearest Mineral Lease Line: 270 ft 26. Total Acres in Lease: 160

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
Method: ☐ Land Farming ☐ Land Spreading ☐ Disposal Facility Other: Dry/Burying

If 28, 29, or 30 are "Yes" a pit permit may be required.

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	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.

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: 7/19/2013 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: 9/7/2013

API NUMBER
05 121 11036 00

Permit Number: _____ Expiration Date: 9/6/2015

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) Set at least 500' of surface casing. Cement to surface. (Increased surface casing due to WW depths w/in 2-miles: several 310' to 350' and one 455' deep). 4) 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.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
1792811	OTHER
400439470	FORM 2 SUBMITTED
400439984	30 DAY NOTICE LETTER
400439992	PLAT
400439994	PLAT
400445098	CONSULT NOTICE
400450948	OTHER

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Engineer	Operator said conductor casing will not be used.	8/22/2013 8:44:33 AM
Permit	Final review completed. No LGD or public comments.	8/16/2013 8:44:10 AM
Permit	Received declaration of pooling and map. Well is 660' from boundary of pooled 40 acres.	8/16/2013 8:43:43 AM
Agency	Operator requested change on distance to nearest well from 28 feet to 28 miles.	3/9/2013 4:53:50 AM
Permit	Requested a Declaration of Pooling that doesn't rely on metes and bounds, a map defining the exact location of the 40 acres and explanation about the distance to the nearest well as it says 28'.	8/8/2013 12:45:18 PM
Permit	Issue: distance to the nearest lease line is 253'. Requested operator review and clarify.	7/30/2013 9:23:33 AM
Permit	Passed completeness.	7/22/2013 6:24:04 AM

Total: 7 comment(s)

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>