

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:

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Date Received:

07/03/2013

PluggingBond SuretyID

20120060

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: PRONGHORN OPERATING LLC 4. COGCC Operator Number: 10422

5. Address: 8400 E PRENTICE AVENUE #1000
City: GREENWOOD State: CO Zip: 80111
VILLAGE

6. Contact Name: Jake Flora Phone: (720)988-5375 Fax: ()
Email: jakeflora@kfrcorp.com

7. Well Name: State of Colorado Well Number: 2

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

9. Proposed Total Measured Depth: 5522

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 16 Twp: 13S Rng: 44W Meridian: 6
Latitude: 38.915480 Longitude: -102.349740

Footage at Surface: 689 feet FNL/FSL 662 feet FEL/FWL FWL

11. Field Name: SMOKY CREEK Field Number: 77560

12. Ground Elevation: 4276 13. County: CHEYENNE

14. GPS Data:

Date of Measurement: 05/13/2013 PDOP Reading: 3.1 Instrument Operator's Name: Elijah Frane

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: 611 ft

18. Distance to nearest property line: 660 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1270 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.)
MARMATON	MRTN			
MISSISSIPPIAN	MSSP			

21. Mineral Ownership: Fee State Federal Indian Lease #: 2366.12

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, 16, 13S, 44W, 6th PM

25. Distance to Nearest Mineral Lease Line: 662 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 & 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+1/4	8+5/8	20	0	284	211	284	0
1ST	7+7/8	5+1/2	15.5	0	5522	200	5522	4022
S.C. 1.1					2500	200	2500	1200

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

33. Comments This is a re-entry into a drilled & abandoned wellbore. Proposed operations will include digging up the original 8-5/8" surface casing, welding an extension & flange on the casing, nipping up an annular BOP, drilling out existing abandonment cement plugs, clean out the original wellbore to the original TD of 5522', run and cement 5.5" production casing to 5522', cement upper stage per APD requirements, and test the Mississippian formation.

34. Location ID: 380191

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: Jake Flora

Title: Petroleum Engineer Date: 7/3/2013 Email: jakeflora@kfrcorp.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: 10/4/2013

API NUMBER: **05 017 06098 00** Permit Number: _____ Expiration Date: 10/3/2015

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.

Description

- 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 Marmaton and stage cement Cheyenne/Dakota (2600'-1950' 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 Spergen, 40 sks cement +/- 50' above the Morrow, 40 sks cement +/- 50' above the Marmaton, 40 sks cement across any DST w/ show, 40 sks cement at 2600' up, 40 sks cement at 1950' 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.
- 4) Monitor gas emissions during operations and comply with Reporting Hydrogen Sulfide (H2S) Notice to Operators and Rule 607.

Attachment Check List

Att Doc Num	Name
2518529	RE-ENTRY OPERTIONS
400427548	FORM 2 SUBMITTED
400427553	MINERAL LEASE MAP
400434187	WELLBORE DIAGRAM
400442617	30 DAY NOTICE LETTER

Total Attach: 5 Files

General Comments

User Group	Comment	Comment Date
Permit	Final review completed; no LGD or public comment received.	8/8/2013 10:25:52 AM
Permit	Received re-entry attachment.	7/24/2013 11:49:35 AM
Permit	In compliance with the State Land Board.	7/10/2013 1:10:16 PM
Permit	Notified the State Land Board.	7/3/2013 2:58:16 PM
Permit	The well location falls within an area that potentially may have measureable levels of H2S gas.	7/3/2013 2:58:08 PM
Permit	Returned to draft: Missing well location plat.	7/3/2013 6:33:29 AM

Total: 6 comment(s)

Best Management Practices

No	BMP/COA Type	Description