

APPLICATION FOR PERMIT TO:

Drill

 Deepen

 Re-enter

 Recomplete and Operate

Date Received:
08/28/2013

TYPE OF WELL OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____	Refilling <input type="checkbox"/>
ZONE TYPE SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONES <input checked="" type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input type="checkbox"/>

Well Name: <u>Prescott Ranches</u>	Well Number: <u>32-34</u>
Name of Operator: <u>MUSTANG CREEK OPERATING LLC</u>	COGCC Operator Number: <u>10446</u>
Address: <u>5251 DTC PARKWAY #800</u>	
City: <u>GREENWOOD VILLAGE</u>	State: <u>CO</u> Zip: <u>80111</u>
Contact Name: <u>Andrea Gross</u>	Phone: <u>(303)942-0506</u> Fax: <u>()</u>
Email: <u>agross@upstreampm.com</u>	

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20130024

WELL LOCATION INFORMATION

QtrQtr: SWSE Sec: 32 Twp: 12S Rng: 59W Meridian: 6

Latitude: 38.956880 Longitude: -104.022480

Footage at Surface: 512 feet FSL 1963 feet FEL

Field Name: Wildcat Field Number: 99999

Ground Elevation: 6066 County: ELBERT

GPS Data:

Date of Measurement: 05/17/2013 PDOP Reading: 1.6 Instrument Operator's Name: Rob Daley

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: _____

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: Fee State Federal Indian

The Surface Owner is: is the mineral owner beneath the location.
 (check all that apply) is committed to an Oil and Gas Lease.
 has signed the Oil and Gas Lease.
 is the applicant.

The Mineral Owner beneath this Oil and Gas Location is: Fee State Federal Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: Yes

The right to construct the Oil and Gas Location is granted by: oil and gas lease

Surface damage assurance if no agreement is in place: _____ Surface Surety ID: _____

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

See attached lease description.

Total Acres in Described Lease: 5281 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # _____

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 2129 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 5280 Feet

Above Ground Utility: 5280 Feet

Railroad: 5280 Feet

Property Line: 512 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).

- Enter 5280 for distance greater than 1 mile.

- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.

- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: Buffer Zone
 Exception Zone
 Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit

- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.

- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: _____

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 5280 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary _____ Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

There are no wells within 1 mile of this location.

OBJECTIVE FORMATIONS

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			
MISSISSIPPIAN	MSSP			
NIOBRARA	NBRR			

DRILLING PROGRAM

Proposed Total Measured Depth: 11000 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 5280 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H2S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H2S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? No

BOP Equipment Type: Annular Preventor Double Ram Rotating Head None

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 609

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: ONSITE Drilling Fluids Disposal Methods: Recycle/reuse

Cuttings Disposal: ONSITE Cuttings Disposal Method: Drilling pit

Other Disposal Description:

Beneficial reuse or land application plan submitted? No

Reuse Facility ID: _____ or Document Number: _____

CASING PROGRAM

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	24	20	53	0	60	50	60	0
SURF	17+1/2	13+3/8	54.5	0	300	220	300	0
1ST	12+1/4	9+5/8	36	0	5000	900	5000	0
2ND	7+7/8	5+1/2	17	0	11000	1200	11000	0

Conductor Casing is NOT planned

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- Rule 318A.a. Exception Location (GWA Windows).
- Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number _____

OTHER LOCATION EXCEPTIONS

Check all that apply:

- Rule 318.c. Exception Location from Rule or Spacing Order Number _____
- Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments

This application is in a Comprehensive Drilling Plan CDP #: _____

Location ID: _____

Is this application being submitted with an Oil and Gas Location Assessment application?

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Andrea Gross

Title: Permit Agent Date: 8/28/2013 Email: agross@upstreampm.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:  Director of COGCC Date: 11/9/2013

Expiration Date: 11/08/2015

API NUMBER

05 039 06674 00

Conditions Of Approval

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 to a minimum of 200' above Niobrara. Verify coverage with cement bond log. 3) If dry hole, set 40 sk cement 50' above Pennsylvanian, 40 sk cement 50' above JSand, 40 sk cement 50' above Niobrara, 40 sks cement across any DST w/ show, 50 sks cement from 50' below to 50' above surface casing shoe, 15 sks cement top of surface casing, cut 4' below GL, weld on plate, or set dry hole marker, 5 sks cement in rat hole & 5 sks cement in mouse hole.
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Best Management Practices

No BMP/COA Type

Description

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Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400434388	FORM 2 SUBMITTED
400473797	PLAT
400473834	ACCESS ROAD MAP
400473835	LEGAL/LEASE DESCRIPTION
400474419	DRILLING 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.	10/30/2013 6:14:24 AM
Permit	Passed completeness.	8/30/2013 12:38:40 PM
Permit	Returned to draft. Requested operator attach a copy of SUA since it is being used for right to construct.	8/29/2013 9:06:29 AM

Total: 3 comment(s)