

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



| | | | |
|----|----|----|----|
| DE | ET | OE | ES |
|----|----|----|----|

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER _____
SINGLE ZONE ☒ MULTIPLE ZONE ☐ COMMINGLE ZONE ☐

Refiling ☒

Sidetrack ☐

Document Number:

400005612

Plugging Bond Surety

19880020

3. Name of Operator: MARATHON OIL COMPANY

4. COGCC Operator Number: 53650

5. Address: 5555 SAN FELIPE

City: HOUSTON State: TX Zip: 77056

6. Contact Name: AnnaWalls Phone: (713)296-3468 Fax: (713)513-4394

Email: avwalls@marathonoil.com

7. Well Name: 697-21A Well Number: 12

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

9. Proposed Total Measured Depth: 9574

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 21 Twp: 6S Rng: 97W Meridian: 6

Latitude: 39.509440 Longitude: -108.218320

Footage at Surface: 2294 FNL/FSL FNL 813 FEL/FWL FEL

11. Field Name: Grand Valley Field Number: 31290

12. Ground Elevation: 8367.1 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 06/12/2007 PDOP Reading: 2.0 Instrument Operator's Name: John Dolinar LIC. #18979

15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 520 FNL 1981 FEL 520 FEL 1981 FEL
Sec: 21 Twp: 6S Rng: 97W Sec: 21 Twp: 6S Rng: 97W

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: 2000

18. Distance to nearest property line: 2294 19. Distance to nearest well permitted/completed in the same formation: 640

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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Williams Fork | WMFK | 510-18 | 320 | N/2 |

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):
see attached sheet

25. Distance to Nearest Mineral Lease Line: 520 26. Total Acres in Lease: 5325

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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? ☐ Yes ☐ No If 28, 29, or 30 are "Yes" a pit permit may be required.

31. Mud disposal: ☐ Offsite ☒ Onsite

Method: ☒ Land Farming ☐ Land Spreading ☐ Disposal Facility Other: _____

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 | Weight Per Foot | Setting Depth | Sacks Cement | Cement Bottom | Cement Top |
|-------------|--------------|----------------|-----------------|---------------|--------------|---------------|------------|
| CONDUCTOR | 26 | 20 | 56 | 100 | 100 | 100 | 0 |
| SURF | 14+3/4 | 9+5/8 | 36 | 2,000 | 1,000 | 2,000 | 0 |
| 1ST | 8+3/4 | 4+1/2 | 11.6 | 9,574 | 675 | 9,574 | 5,500 |

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

33. Comments No Rig on Location. The Pad is built. The Pit has been constructed. No expansion/additional surface disturbance will take place. No visible improvements w/in 400' of wellhead. Decrease surface casing setting depth. Surface owned by: OXY Minerals owned by: Chevron

34. Location ID: 335476

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: Anna Walls

Title: Regulatory Compliance Rep Date: 9/28/2009 Email: avwalls@marathonoil.com

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: David S. Neslin Director of COGCC Date: 10/25/2009

API NUMBER

05 045 14713 00

Permit Number: _____ Expiration Date: 10/24/2010

CONDITIONS OF APPROVAL, IF ANY: _____

Condition of Approval

Comment

Agency

24-HOUR SPUD NOTICE REQUIRED. E-MAIL david.Andrews@state.co.us GARFIELD COUNTY RULISON-FIELD NOTICE TO OPERATORS. NOTE: ALL NOTICES SHALL BE GIVEN VIA E-MAIL. SEE ATTACHED NOTICE. CEMENT-TOP VERIFICATION BY CBL REQUIRED. THE NEARBY HILLSIDE MUST BE MONITORED FOR ANY DAY-LIGHTING DRILLING FLUIDS THROUGHOUT THE DRILLING OF THE SURFACE-CASING INTERVAL. COMPLY WITH ALL PROVISIONS OF THE JUNE 12, 2008 NOTICE TO OPERATORS DRILLING WELLS WITHIN 3/4 MILE OF THE RIM OF THE ROAN PLATEAU IN GARFIELD COUNTY -- PIT DESIGN, CONSTRUCTION, AND MONITORING REQUIREMENTS. SEE ATTACHED NOTICE. THE MOISTURE CONTENT OF ANY DRILL CUTTINGS IN A CUTTINGS PIT, TRENCH, OR PILE SHALL BE AS LOW AS PRACTICABLE TO PREVENT ACCUMULATION OF LIQUIDS GREATER THAN DE-MINIMIS AMOUNTS. AT THE TIME OF CLOSURE, THE DRILL CUTTINGS MUST ALSO MEET THE APPLICABLE STANDARDS OF TABLE 910-1. THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 000 FEET DEEP.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|----------------------|----------------------|
| 400005655 | 30 DAY NOTICE LETTER | LF@2156727 400005655 |
| 400007336 | SURFACE AGRMT/SURETY | LF@2156728 400007336 |
| 400007357 | FORM 2 SUBMITTED | LF@2156729 400007357 |

Total Attach: 3 Files