

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:

400040940

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: Anna Walls Phone: (713)296-3468 Fax: (713)513-4394
Email: avwalls@marathonoil.com

7. Well Name: 697-26A Well Number: 21

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

9. Proposed Total Measured Depth: 9300

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 26 Twp: 6S Rng: 97W Meridian: 6

Latitude: 39.498900 Longitude: -108.183120

Footage at Surface: 854 FNL/FSL FNL 1429 FEL/FWL FEL

11. Field Name: Grand Valley Field Number: 31290

12. Ground Elevation: 8412 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 06/12/2010 PDOP Reading: 1.8 Instrument Operator's Name: William H Dolinar

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

Footage at Top of Prod Zone: FNL/FSL 200 FNL 660 FEL 660 FEL 200 FNL 660 FEL 660
Sec: 26 Twp: 6S Rng: 97W Sec: 26 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: 883 ft

18. Distance to nearest property line: 854 ft 19. Distance to nearest well permitted/completed in the same formation: 638 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Williams Fork | WMFK | 510-21 | | |

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 Bon ☐ \$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: 3851 ft 26. Total Acres in Lease: 7393

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 | 20 | 16 | 53 | 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 | 9,300 | 675 | 9,300 | 5,500 |

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

33. Comments Surface owned by: Puckett Minerals owned by: Puckett No visible improvements w/in 400' of wellhead.

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: Anna Walls

Title: Regulatory Compliance Rep Date: 2/17/2010 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: 3/12/2010

API NUMBER

05 045 19203 00

Permit Number: _____ Expiration Date: 3/10/2012

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.

1)24 HOUR SPUD NOTICE REQUIRED. E-MAIL: Shaun.Kellerby@state.co.us 2)GARFIELD COUNTY RULISON FIELD NOTICE TO OPERATORS. NOTE: ALL NOTICES SHALL BE GIVEN VIA E-MAIL. SEE ATTACHED NOTICE 3)CEMENT TOP VERIFICATION BY CBL REQUIRED. 4)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. 5)THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 500 FEET DEEP.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------------|----------------------|
| 400041233 | PLAT | LF@2420087 400041233 |
| 400041234 | DEVIATED DRILLING PLAN | LF@2420088 400041234 |
| 400041235 | 30 DAY NOTICE LETTER | LF@2420089 400041235 |
| 400041236 | MINERAL LEASE MAP | LF@2420090 400041236 |
| 400041250 | FORM 2 SUBMITTED | LF@2420091 400041250 |

Total Attach: 5 Files