

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



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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

Document Number:

400193159

Plugging Bond Surety

20030028

3. Name of Operator: SWEPI LP 4. COGCC Operator Number: 78110

5. Address: 4582 S ULSTER ST PKWY #1400
 City: DENVER State: CO Zip: 80237

6. Contact Name: Michael Bergstrom Phone: (303)222-6347 Fax: (303)222-6258
 Email: michael.bergstrom@shell.com

7. Well Name: Castor Gulch Well Number: 1-21

8. Unit Name (if appl): Williams Fork Unit Number: COC-74956X

9. Proposed Total Measured Depth: 6500

WELL LOCATION INFORMATION

10. QtrQtr: 2 Sec: 21 Twp: 5N Rng: 91W Meridian: 6
 Latitude: 40.378550 Longitude: -107.606986

Footage at Surface: 599 feet FNL 1318 feet FEL
 FNL/FSL FEL/FWL

11. Field Name: wildcat Field Number: 99999

12. Ground Elevation: 6425 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 06/23/2011 PDOP Reading: 2.3 Instrument Operator's Name: B. Hunting

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

Footage at Top of Prod Zone: 852 FNL 1604 FEL 1456 FNL 2055 FWL
 Sec: 21 Twp: 5N Rng: 91W Sec: 21 Twp: 5N Rng: 91W
 FNL/FSL FEL/FWL FNL/FSL FEL/FWL

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: 72 ft

18. Distance to nearest property line: 599 ft 19. Distance to nearest well permitted/completed in the same formation: 4000 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.)
Niobrara Shale	NBRR			

21. Mineral Ownership: Fee State Federal Indian Lease #: COC74956X

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):

Castor Gulch 1-21 is a part of the Williams Fork Federal Unit COC-74956X

25. Distance to Nearest Mineral Lease Line: 2480 26. Total Acres in Lease: 37136

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: _____

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
2ND	6+1/4	2+7/8	6.5	0	6,005	0	0	0

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

33. Comments Shell plans to drill a sidetrack horizontal well using the existing wellbore previously drilled by East Resources. Attachments include a drilling and completion plan. No cement is planned for this program. The 9-5/8" surface and 7" intermediate casings have already been cemented in place by East Resources in September 2009. The only casing string planned during the re-entry is 2-7/8" production tubing, which will not be cemented. Castor Gulch 1-21 is a part of the Williams Fork Federal Unit COC-74956X.

34. Location ID: 414108

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 Bergstrom

Title: Senior Regulatory Advisor Date: _____ Email: michael.bergstrom@shell.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: _____ Director of COGCC Date: _____

API NUMBER

05 081 07595 00

Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

Att Doc Num	Name
400194200	TOPO MAP
400194203	PLAT
400195773	DEVIATED DRILLING PLAN

Total Attach: 3 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Material Handling and Spill Prevention	Spill Prevention Control & Countermeasure Plans (SPCC) are in place to address material releases and to prescribe materials handling BMPs for the facility. "Good house-keeping" measures will be taken to ensure proper waste disposal.
Storm Water/Erosion Control	<p>Stormwater Management Plans (SWMP) are in place to comply with both Colorado Department of Public Health and Environment (CDPHE) and Colorado Oil and Gas Conservation Commission (COGCC) stormwater discharge permits. The construction layout for Castor Gulch 1-21 details Best Management Practices (BMPs) to be installed during initial construction. Note that BMPs may be removed, altered, or replaced with changing conditions in the field and the SWMP will be updated accordingly.</p> <p>The BMPs prescribed for the initial construction phase include, but are not limited to</p> <ul style="list-style-type: none"> • Construction diversion ditch • Sediment reservoirs • Check dams • Level spreaders • Stabilized construction entrance • Slash • Sediment trap • Wattle • Terrace • Secondary containment berms • Detention ponds

Total: 2 comment(s)