



01642059

FORM 15 Rev 6/99

State of Colorado Oil and Gas Conservation Commission



RECEIVED FOR OGCC USE ONLY AUG 15 2011 COGCC

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 (303)894-2100 Fax:(303)894-2109

EARTHEN PIT REPORT/PERMIT

This form is to be used for both reporting and permitting pits. Rule 903 describes when a Permit with prior approval, or a Report within 30 days, is required for pits. Submit required attachments and forms.

Complete the Attachment Checklist

FORM SUBMITTED FOR:

Pit Report

Pit Permit

Attachment Checklist table with columns for 'Oper' and 'OGCC' and rows for 'Detailed Site Plan', 'Topo Map w/ Pit Location', 'Water Analysis (Form 25)', 'Source Wells (Form 26)', 'Pit Design/Plan & Cross Sec', 'Design Calculations', 'Sensitive Area Determ.', 'Mud Program', 'Form 2A'.

OGCC Operator Number: 78110
Name of Operator: SWEPI LP
Address: 4582 S. Ulster St. Parkway, Suite 1400
City: Denver State: CO Zip: 80237

Contact Name and Telephone: Michael L. Bergstrom
No: 303-222-6347
Fax: 303-222-6358

API Number (of associated well): Application Submitted Lot 9 OGCC Facility ID (of other associated facility):
Pit Location (QtrQtr, Sec, Twp, Rng, Meridian): NESE Sec 29 T6N R89W 6th P.M.
Latitude: 40.445739 Longitude: -107.392506 County: Routt
Pit Use: Production [] Drilling [x] Special Purpose []
Pit Type: Lined [x] Unlined [] Surface Discharge Permit: Yes [] No [x]
Offsite disposal of pit contents: Injection [] Commercial [x] Pit/Facility Name: Gnat Hill Pit/Facility No: 1-29
Attach Form 26 to identify Source Wells and Form 25 to provide Produced Water Analysis results.

Existing Site Conditions

Is the location in a "Sensitive Area?" Yes [x] No [] Attach data used for determination.
Distance (in feet) to nearest surface water: 453' ground water: 15' water wells: 10,262'
LAND USE (or attach copy of Form 2A if previously submitted for associated well) Select one which best describes land use:
Crop Land: Irrigated [] Dry Land [] Improved Pasture [] Hay Meadow [] CRP []
Non-Crop Land: Rangeland [x] Timber [] Recreational [] Other (describe):
Subdivided: Industrial [] Commercial [] Residential []
SOILS (or attach copy of Form 2A if previously submitted for associated well)
Soil map units form USNRCS survey: Sheet No: Website Soil Complex/Series No: 10C
Soils Series Name: Bulkley Silty Clay Horizon thickness (in inches): A: ; B: ; C:
Soils Series Name: Horizon thickness (in inches): A: ; B: ; C:
Attach detailed site plan and topo map with pit location.

Pit Design and Construction

Size of pit (feet): Length: 40' Width: 45' Depth: 10'
Calculated pit volume (bbls): 920 bbls Daily inflow rate (bbls/day): varies
Daily disposal rates (attach calculations): Evaporation: N/A bbls/day Percolation: 0 bbls/day
Type of liner material: HDPE Thickness: 30 mm
Attach description of proposed design and construction (include sketches and calculations).
Method of treatment of produced water prior to discharge into pit (separator, heater treater, other): none / not applicable
Is pit fenced? Yes [x] No [] Is pit netted? Yes [x] No []

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct, and complete.
Print Name: Michael L. Bergstrom Signed: Michael L. Bergstrom
Title: Senior Regulatory Advisor Date: 8/9/2011

OGCC Approved: Dan Kulezko Title: Location Assessment Specialist Date: 8-23-11

CONDITIONS OF APPROVAL, IF ANY: See Attached Sheet

FACILITY NUMBER: 424748

SWEPI LP, Gnat Hill 1-29 Pad, Lot 9 (NESE) Sec 29 T6N R89W, Routt County, Form 15 Pit Permit Conditions of Approval, Associated Form 2A#400190332; Pit Facility ID#424748.

COA 11 - The drilling pit must be lined, or a closed loop system must be implemented during drilling. All cuttings generated during drilling with OBM must be kept in the lined drilling pit, or placed either in containers or on a lined/bermed portion of the well pad; prior to offsite disposal. The moisture content of any drill cuttings in a cuttings container or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts.

COA 5 - Operator must implement best management practices to contain any unintentional release of fluids.

COA 90 - Notify COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to start of construction of the pit.

COA 49 - The operator must maintain the fencing and netting until the pit is closed in accordance with Rule 905. Closure of Pits, and Buried or Partially Buried Produced Water Vessels.

COA 91 - At the time of pit closure, operator must submit disposal information for pit contents via a Form 4 Sundry Notice to the COGCC Location Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us). The disposal method will need to be approved prior to operator starting pit closure.



Shell Exploration & Production

State of Colorado
Department of Natural Resources
Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

Shell Exploration & Production Co.

Regulatory Affairs-EP Americas
4582 S. Ulster Street Parkway
Suite 1400
Denver, Colorado 80237



August 9, 2011

Subject: Earthen Pit Permit
Shell Exploration & Production Co., Gnat Hill 1-29
Routt County, Colorado

Ladies and Gentlemen:

Shell Exploration & Production Company (Shell), as service provider to SWEPI LP in Colorado, requests that Colorado Oil and Gas Conservation Commission (COGCC) review and approve the Earthen Pit Permit (Form 15) for the subject well and location. The Oil and Gas Location Assessment (Form 2A) for the subject well and well location is being submitted electronically.

This exploration well is located in an area that has limited existing oil & gas production, and is targeting prospective zones that have been the subject of limited exploration. Shell considers this well to be an exploration well. Shell plans to begin construction of this well location on or about October 1, 2011 and begin drilling and completion activities for this well, on or about October 15, 2011.

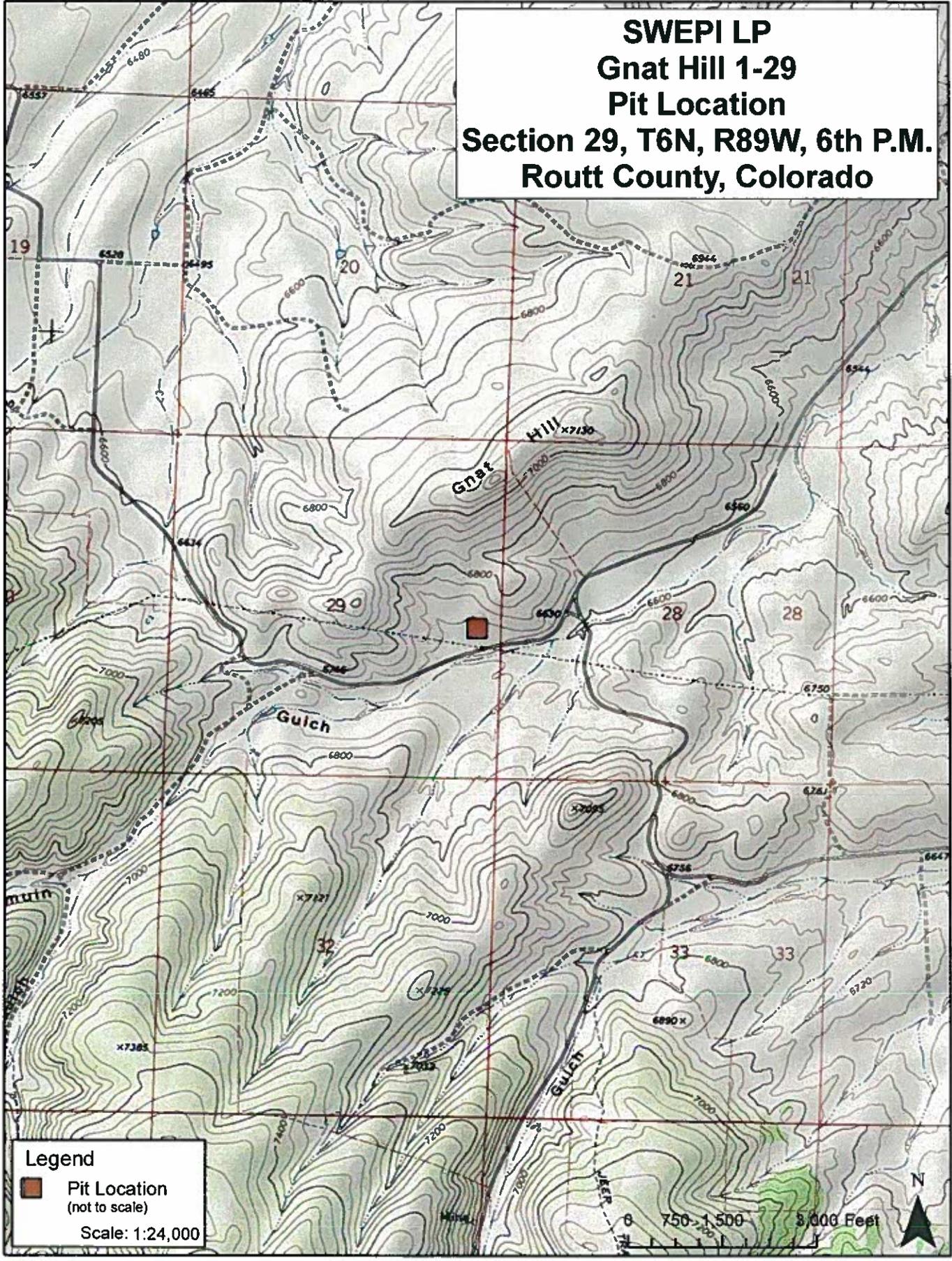
If you have any questions or require any additional information regarding this permit application, please contact me at (303) 222-6347, or Aleta Brown at Norwest in Salt Lake City at (801) 539-0044.

Regards,

Michael L. Bergstrom
Senior Regulatory Advisor
Shell Exploration & Production Company

Attachments: Form 15 w/attachments

**SWEPI LP
Gnat Hill 1-29
Pit Location
Section 29, T6N, R89W, 6th P.M.
Routt County, Colorado**



Legend
■ Pit Location
(not to scale)
Scale: 1:24,000

SWEPI LP

CONSTRUCTION LAYOUT FOR

GNAT HILL #1-29

SECTION 29, T6N, R89W, 6th. P.M.

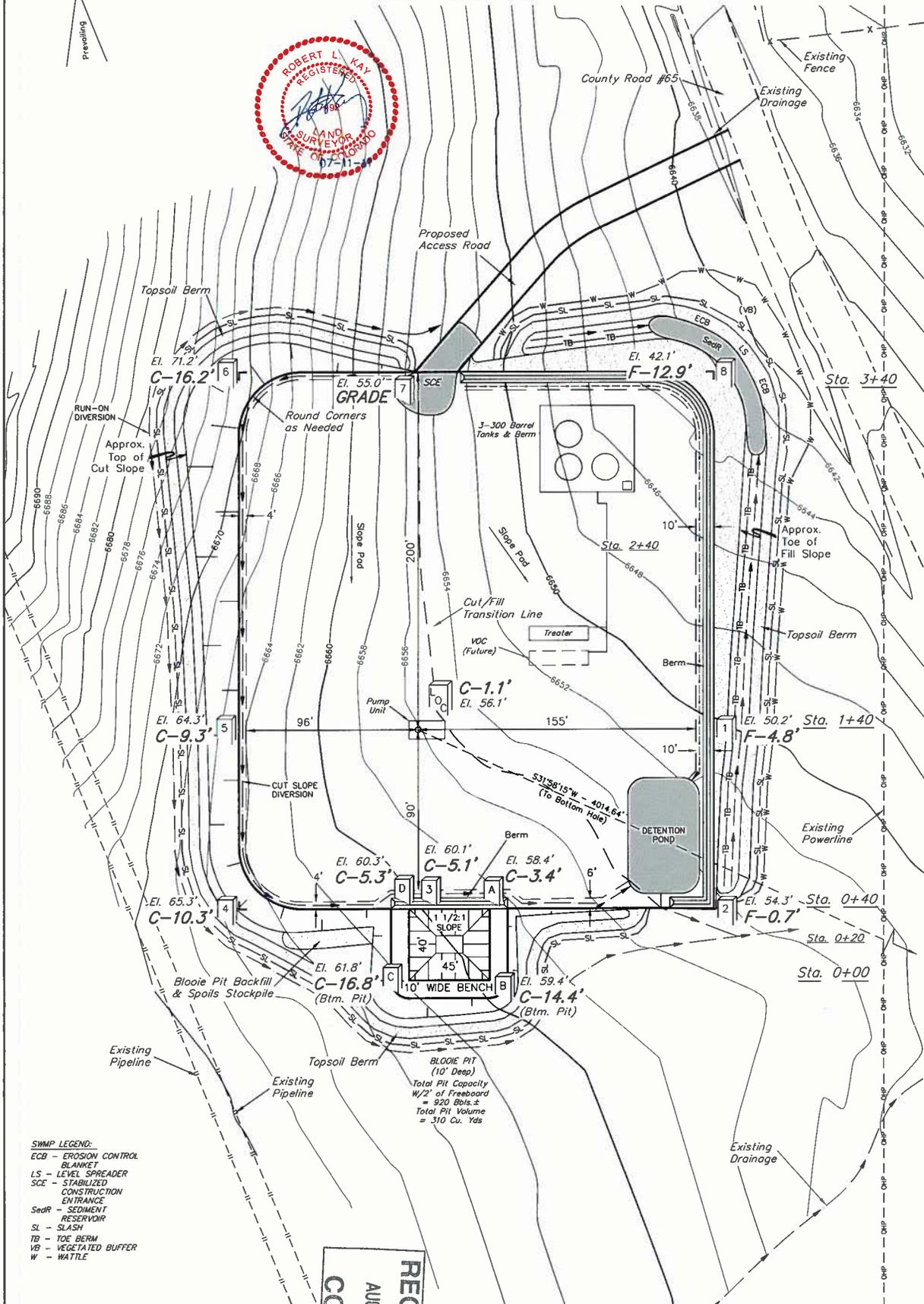
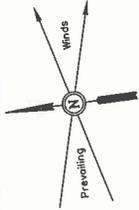
2374' FSL 360' FEL

FIGURE #1

SCALE: 1" = 50'

DATE: 07-07-11

DRAWN BY: J.I.



- SWMP LEGEND:**
- ECB - EROSION CONTROL BLANKET
 - LS - LEVEL SPREADER
 - SCE - STABILIZED CONSTRUCTION ENTRANCE
 - SeoR - SEDIMENT RESERVOIR
 - SL - SLASH
 - TB - TOE BERM
 - VB - VEGETATED BUFFER
 - W - WATTLE

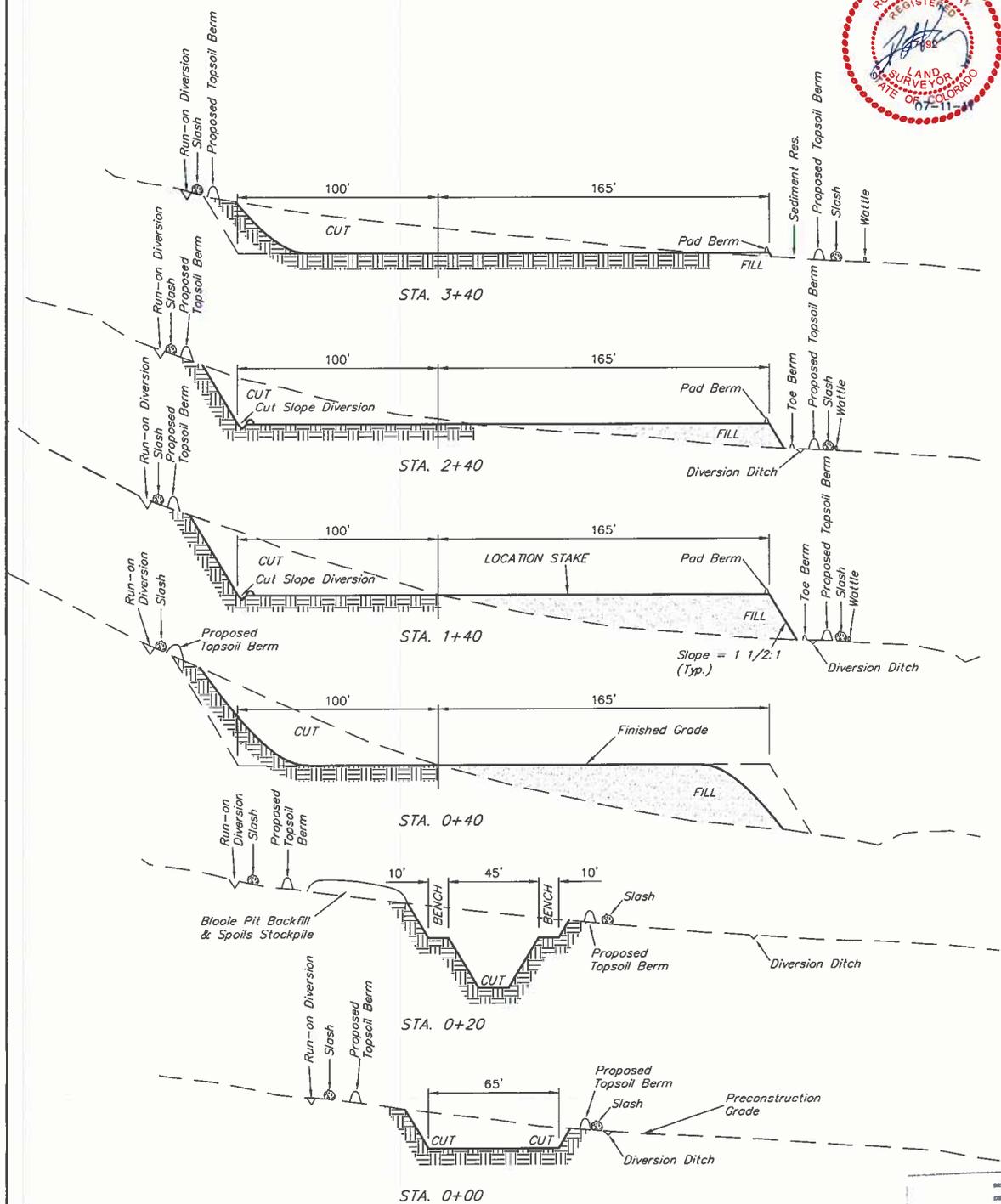
Elev. Ungraded Ground At Loc. Stake = 6656.1'
FINISHED GRADE ELEV. AT LOC. STAKE = 6655.0'

RECEIVED
AUG 15 2011
COGCC

1" = 20'
 X-Section Scale
 1" = 50'
 DATE: 07-07-11
 DRAWN BY: J.I.

SWEPI LP
 CONSTRUCTION LAYOUT CROSS SECTIONS FOR
 GNAT HILL #1-29
 SECTION 29, T6N, R89W, 6th. P.M.
 2374' FSL 360' FEL

FIGURE #2



NOTE:
 Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:
 FILL QUANTITY INCLUDES 5% FOR COMPACTION



APPROXIMATE YARDAGES

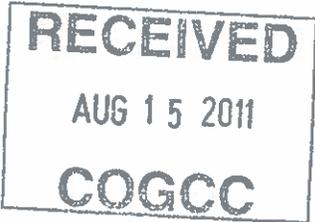
(6") Topsoil Stripping	= 1,860 Cu. Yds.
Remaining Location	= 8,960 Cu. Yds.
TOTAL CUT	= 10,820 CU.YDS.
FILL	= 8,800 CU.YDS.

EXCESS MATERIAL	= 2,020 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,020 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 0 Cu. Yds.

APPROXIMATE ACREAGES

WELL SITE DISTURBANCE	= ± 2.378 ACRES
ACCESS ROAD DISTURBANCE	= ± 0.147 ACRES
TOTAL	= ± 2.525 ACRES

UINTAH ENGINEERING & LAND SURVEYING
 85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017



MUD PROGRAM

Lease and Well No.
Location Call:

Gnat Hill 1-29
SHL: Lat 40.445739 / Long 107.392506 (NAD83)
BHL: Lat 40.436386 / Long 107.400125 (NAD83)
Section 29 Township 6N Range 89W Routt County, Colorado

Depth (TVD)	Type	Weight	Remarks
<u>0-1000'</u>	<u>FW/Bentonite</u>	<u>8.3-9.5</u>	<u>Spud mud</u>
<u>1,000-5,440'</u>	<u>FW/Air/Foam</u>	<u>4.0-7.0</u>	<u>Air/Mist system with aerated water contingency</u>
<u>5,440'-8,590'</u>	<u>OBM + N2</u>	<u>4.0-7.0</u>	<u>OBM aerated with N2</u>
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