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Document Number:  
 400188878  
 PluggingBond SuretyID  
 20030028

**APPLICATION FOR PERMIT TO:**

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

2. TYPE OF WELL  
 OIL  GAS  COALBED  OTHER Pilot  
 SINGLE ZONE  MULTIPLE  COMMINGLE

Refiling   
 Sidetrack

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 L. Bergstrom Phone: (303)222-6347 Fax: (303)222-6258  
 Email: Michael.Bergstrom@shell.com  
 7. Well Name: Hart Gulch Well Number: 1-17  
 8. Unit Name (if appl): Williams Fork Unit Number: COC74956X  
 9. Proposed Total Measured Depth: 6200

**WELL LOCATION INFORMATION**

10. QtrQtr: NWSE Sec: 17 Twp: 4N Rng: 90W Meridian: 6  
 Latitude: 40.312094 Longitude: -107.525186  
 Footage at Surface: 1577 feet FNL/FSL FSL 1614 feet FEL/FWL FEL  
 11. Field Name: Waddle Creek Field Number: 90450  
 12. Ground Elevation: 6911 13. County: MOFFAT

14. GPS Data:  
 Date of Measurement: 06/24/2011 PDOP Reading: 2.0 Instrument Operator's Name: B. Hunting

15. If well is  Directional  Horizontal (highly deviated) **submit deviated drilling plan.**  
 Footage at Top of Prod Zone: FNL/FSL 1490 FSL 1917 FEL 1206 FEL/FWL 2659 FWL  
 Sec: 17 Twp: 4N Rng: 90W Sec: 17 Twp: 4N Rng: 90W

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: 190 ft  
 18. Distance to nearest property line: 2671 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5050 ft

**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 #: \_\_\_\_\_  
 22. Surface Ownership:  Fee  State  Federal  Indian  
 23. Is the Surface Owner also the Mineral Owner?  Yes  No Surface Surety ID#: 20030020  
 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):

Hart Gulch 1-17 is a part of the Williams Fork Unit COC74956X

25. Distance to Nearest Mineral Lease Line: 630 ft

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
CONDUCTOR	13+1/2	10+3/4	40.5	0	500	236	500	0
1ST	9+7/8	7+5/8	29.7	0	5,015	72	5,015	4,400
OPEN HOLE	6+3/4			0	6,200			

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

33. Comments Two APDs are being submitted for Hart Gulch 1-17; one for the pilot hole and one for the lateral hole. This APD is for the pilot hole. Attachments include a drilling and completion plan. Hart Gulch 1-17 is a part of the Williams Fork Federal Unit COC74956X.

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: Michael Bergstrom

Title: Senior Regulatory Advisor

Date: 7/27/2011

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: David S. Neslin

Director of COGCC Date: 9/25/2011

**API NUMBER**

05 081 07681 00

Permit Number: \_\_\_\_\_ Expiration Date: 9/24/2013

**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.

Before placing oil/salt based muds in the pit, operator must file and receive prior approval of a Pit Permit, Form 15. COGCC regulations regarding pit permits can be found in Rule 903.a.(3). PIT PERMITTING/REPORTING REQUIREMENTS.

(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) CEMENT ON PRODUCTION CASING MUST BE AT LEAST 200' ABOVE TOP OF FT. UNION AND COMPLY WITH RULES 209 AND 317.I. SEGREGATE OIL, GAS, AND FRESH-WATER-BEARING ZONES AND PROTECT COAL SEAMS. VERIFY TOP WITH CBL.

(3) 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.

(4) RESERVE PIT MUST BE LINED.

(5) OPERATOR MUST ENSURE 110 PERCENT SECONDARY CONTAINMENT FOR ANY VOLUME OF FLUIDS CONTAINED AT WELL-SITE DURING DRILLING AND COMPLETION OPERATIONS. IF FLUIDS ARE CONVEYED VIA PIPELINE, OPERATOR MUST IMPLEMENT BEST-MANAGEMENT-PRACTICES TO CONTAIN ANY UNINTENTIONAL RELEASE OF FLUIDS.

(6) NO PORTION OF ANY PIT THAT WILL BE USED TO HOLD LIQUIDS SHALL BE CONSTRUCTED ON FILL MATERIAL, UNLESS THE PIT AND FILL SLOPE ARE DESIGNED AND CERTIFIED BY A PROFESSIONAL ENGINEER, SUBJECT TO REVIEW AND APPROVAL BY THE DIRECTOR PRIOR TO CONSTRUCTION OF THE PIT. THE CONSTRUCTION AND LINING OF THE PIT SHALL BE SUPERVISED BY A PROFESSIONAL ENGINEER OR THEIR AGENT. THE ENTIRE BASE OF THE PIT MUST BE IN CUT.

(7) THE 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 00 FEET DEEP.

### **Attachment Check List**

Att Doc Num	Name
2089474	WELL LOCATION PLAT
2089475	LEASE MAP
400188878	FORM 2 SUBMITTED
400188881	TOPO MAP
400188882	DEVIATED DRILLING PLAN
400189016	WELL LOCATION PLAT

Total Attach: 6 Files

**General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>
Permit	No public comments Comprehensive Final Review status -- Passed	9/20/2011 4:54:22 PM
Permit	Attached lease map and description	9/20/2011 4:32:35 PM
Permit	Added commingle as no Added pilot hole comment to application Removed unit number for lease number location Missing description or map of lease Added field as Waddle Creek	8/26/2011 4:39:02 PM
Permit	Returned to draft. No statement about conductor pipe, need to have field name filled out. Left message with operator about changes that need to be made.	7/28/2011 10:26:40 AM
Permit	Returned to draft. Missing field name information and statement about conductor pipe.	7/28/2011 9:28:02 AM
Permit	Returned to draft. No statement about conductor pipe, need to have field name filled out.	7/28/2011 7:44:34 AM

Total: 6 comment(s)

**BMP**

<b><u>Type</u></b>	<b><u>Comment</u></b>
Wildlife	1) Shell will use the existing access road and pad. 2) Shell will make a good faith effort to finish drilling at this location by December 1, 2011 3) Interim and final reclamation will match existing vegetation. 4) Shell will include a weed management plan and implement the plan as part of reclamation
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	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 Hart Gulch 1-17 details Best Management Practices (BMP) 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. The BMPs prescribed for the initial construction phase include, but are not limited to: <ul style="list-style-type: none"><li>• Construction diversion ditch</li><li>• Sediment reservoirs</li><li>• Check dams</li><li>• Level spreaders</li><li>• Stabilized construction entrance</li><li>• Slash</li><li>• Sediment trap</li><li>• Wattle</li><li>• Terrace</li><li>• Secondary containment berms</li><li>• Detention ponds</li></ul>

Total: 3 comment(s)