

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:
400227635

PluggingBond SuretyID
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: Tiffany Stebbins Phone: (307)527-2223 Fax: (307)527-3280
Email: tastebbins@marathonoil.com

7. Well Name: Crow Valley 7-62-26 Well Number: 2H

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

9. Proposed Total Measured Depth: 11412

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 35 Twp: 7N Rng: 62W Meridian: 6
Latitude: 40.537106 Longitude: -104.292145

Footage at Surface: 342 feet FNL 1819 feet FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 4807.7 13. County: WELD

14. GPS Data:
Date of Measurement: 11/04/2011 PDOP Reading: 2.9 Instrument Operator's Name: Allen Blattel

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

Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL

470 FSL 1819 FWL 470 FNL 1988 FWL

Sec: 35 Twp: 7N Rng: 62W Sec: 26 Twp: 7N Rng: 62W

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: 2640 ft

18. Distance to nearest property line: 342 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 4000 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	NBRR	407-501	640	ALL

21. Mineral Ownership: Fee State Federal Indian Lease #: 1243.10

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):

All of Section 26, T7N, R62W, 6th P.M.

25. Distance to Nearest Mineral Lease Line: 342 ft 26. Total Acres in Lease: 640

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	20	16	53	0	40			
SURF	12+1/4	9+5/8	36	0	600	187	600	0
1ST	8+3/4	7	32	0	6,990	106	6,990	5,900
2ND	6	4+1/2	11.6	6840	11,412	248	11,412	6,840

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

33. Comments Well 7-62-26-2H SHL is 24' from Crow Valley 7-62-35-2H SHL. This is a dual well pad with one horizontal BHL in Section 26, and one horizontal BHL in Section 35. One Form 2A Location Assessment is being submitted for both wells. Both wells are located on same pad in Section 35, T7N, R62W. Form 2A is a related form for Form 2 APD filing for well Crow Valley 7-62-35-2H.

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: Tiffany Stebbins

Title: Regulatory Compliance Rep Date: 12/13/2011 Email: tastebbins@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. Nashin Director of COGCC Date: 1/8/2012

API NUMBER
05 123 34928 00

Permit Number: _____ Expiration Date: 1/7/2014

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) Provide 24 hour notice of MIRU via e-mail to John.Montoya@state.co.us.
- 2) Provide cement coverage from base of intermediate casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Operator must meet water well testing requirements per Rule 318A.

Attachment Check List

Att Doc Num	Name
400227635	FORM 2 SUBMITTED
400229353	DEVIATED DRILLING PLAN
400231856	30 DAY NOTICE LETTER
400231859	WELL LOCATION PLAT
400231860	SURFACE AGRMT/SURETY
400231865	EXCEPTION LOC REQUEST
400231890	30 DAY NOTICE LETTER

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	1/6/2012 12:55:47 PM
Permit	Added State Lease # 1243.10. Per Thom Kerr use 460' Wattenberg setbacks. OGCC will correct spacing order. Added DPS Horizontal BMPS added. Ok to pass pending 1/5/12.	12/30/2011 9:11:28 AM
Permit	Surface Restoration Bond on file with SLB; per Tim Kelly.	12/21/2011 10:52:45 AM
Permit	Operator requests approval of a Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window. Request and Waiver attached.	12/16/2011 1:15:47 PM
Permit	ON HOLD: requesting additional DPS Horizontal BMP's & correction to bottom hole location (less than 600' from unit boundary). Emailed Tim Kelly at SLB for verification of Bond.	12/16/2011 1:15:08 PM
Permit	Operator input #36. This form has passed completeness.	12/13/2011 2:19:28 PM
Permit	Returned to draft. Missing #36.	12/13/2011 1:05:54 PM

Total: 7 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	<p>During and Post Stimulation: 1. At least seven (7) days prior to fracture stimulation, the operator is to notify all operators of non-operated wells within 300 feet of the wellbore to be fracture stimulated of the anticipated stimulation date and the recommended best management practice to shut-in all wells within 300' of the stimulated wellbore completed in the same formation.</p> <p>2. The operator will monitor the bradenhead pressure of all wells within 300 feet of the well to be fracture stimulated.</p> <p>3. Bradenhead pressure gauges are to be installed 24 hours prior to stimulation. The gauges are to read at least once during every 24-hour period until 24-hours after stimulation is completed (post flowback). The gauges are to be of the type able to read current pressure and record the maximum encountered pressure in a 24-hour period. The gauge is to be reset between each 24-hour period. The pressures are to be recorded and saved. Alternate electronic measurement may be used to record the prescribed pressures. Data shall be kept for a period of one year.</p> <p>4. If at any time during stimulation or the 24-hour post-stimulation period, the bradenhead annulus pressure of the treatment well or offset wells increases more than 200 psig, as per Rule 341, the operator of the well being stimulated shall verbally notify the Director as soon as practicable, but no later than twenty-four (24) hours following the incident. Within fifteen (15) days after the occurrence, the operator shall submit a Sundry Notice, Form 4, giving all details, including corrective actions taken.</p>

Total: 1 comment(s)