

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:

400240216

PluggingBond SuretyID

20060137

3. Name of Operator: OXY USA WTP LP

4. COGCC Operator Number: 66571

5. Address: P O BOX 27757

City: HOUSTON State: TX Zip: 77227

6. Contact Name: Joan Proulx Phone: (970)263.3641 Fax: (970)263.3694
Email: joan_proulx@oxy.com

7. Well Name: Oxy Federal Well Number: 697-15-34

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

9. Proposed Total Measured Depth: 9118

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 15 Twp: 6S Rng: 97W Meridian: 6

Latitude: 39.522210 Longitude: -108.211560

Footage at Surface: 2361 feet FNL/FSL 1101 feet FEL/FWL FWL

11. Field Name: Grand Valley Field Number: 31290

12. Ground Elevation: 8463 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 07/27/2011 PDOP Reading: 1.0 Instrument Operator's Name: J Seal

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

Footage at Top of Prod Zone: FNL/FSL 2250 FSL 918 FWL FWL Bottom Hole: FNL/FSL 2250 FSL 918 FWL FWL
Sec: 15 Twp: 6S Rng: 97W Sec: 15 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: 5229 ft

18. Distance to nearest property line: 4154 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 307 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Iles | ILES | 510-48 | | |
| Williams Fork | WMFK | 510-15 | | |

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC56300

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):

See attached Mineral Lease Map (Multi-Well Plan)

25. Distance to Nearest Mineral Lease Line: 279 ft

26. Total Acres in Lease: 160

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+0/0 | 16+0/0 | 65 | 0 | 90 | 4 | 90 | 0 |
| SURF | 14+3/4 | 9+5/8 | 36 | 0 | 2,700 | 1,226 | 2,700 | 0 |
| 1ST | 8+3/4 | 4+1/2 | 11.6 | 0 | 9,088 | 1,796 | 9,088 | 5,478 |

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

33. Comments Oxy is the surface owner; Rules 305 and 306 are waived. The well pad has not been constructed. Per GarCo Vacation Ordinance dated 10-5-1987, CR 213 is now OXY's private property north of Sec 8, 7S, 97W, 6 PM. Oxy will provide appropriate housing for essential personnel in order to conduct safe, efficient drilling operations at this well site. Oxy will comply with Notice to Operators (NTO) Drilling wells on the Roan Plateau (June 12, 2008). The CDOW pre-consultation meeting occurred on Oct. 31, 2011.

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: Joan Proulx

Title: Regulatory Analyst

Date: 1/17/2012

Email: joan_proulx@oxy.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. Nesline

Director of COGCC

Date: 2/10/2012

API NUMBER

05 045 21326 00

Permit Number: _____ Expiration Date: 2/9/2014

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

2)GARFIELD COUNTY RULISON FIELD NOTICE TO OPERATORS. NOTE: ALL NOTICES SHALL BE GIVEN VIA E-MAIL. SEE ATTACHED NOTICE

3)CEMENT ON PRODUCTION CASING MUST BE A MINIMUM OF 200' ABOVE THE TOP OF THE MESA VERDE FORMATION (OR 200' ABOVE THE OHIO CREEK FORMATION IF PRESENT). CEMENT TOP VERIFY BY CBL IS REQUIRED.THIS REQUIREMENT SHALL SUPERSEDE THE TOP OF CEMENT REQUIREMENTS IN THE NEW MAMM CREEK FIELD NOTICE TO OPERATORS.

4)THE NEARBY HILLSIDE MUST BE MONITORED FOR ANY DAY LIGHTING DRILLING FLUIDS THROUGHOUT THE DRILLING OF THE SURFACE CASING INTERVAL.

5)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.

6)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 36 FEET DEEP.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400240216 | FORM 2 SUBMITTED |
| 400240257 | TOPO MAP |
| 400240258 | DEVIATED DRILLING PLAN |
| 400240259 | WELL LOCATION PLAT |
| 400240262 | DIRECTIONAL DATA |
| 400240267 | MINERAL LEASE MAP |
| 400241528 | DRILLING PLAN |
| 400241529 | OTHER |
| 400241530 | SURFACE PLAN |
| 400241776 | FED. DRILLING PERMIT |
| 400242437 | DIRECTIONAL DATA |

Total Attach: 11 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| Permit | No public or LGD comments Comprehensive Final Review status -- Passed | 2/10/2012 8:05:57 AM |
| Permit | Changed distance to surface feature to 5,229 feet to correspond with the data that was submitted on the OGLA Deleted extraneous directional data | 1/26/2012 11:35:25 AM |
| LGD | Passed | 1/19/2012 12:20:49 PM |

Total: 3 comment(s)

BMP

Type

Comment

| | |
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Total: 0 comment(s)