

FORM
2Rev
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



DE ET OE ES

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☐ GAS ☐ COALBED ☐ OTHER CO2
SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐Refiling ☐Sidetrack ☐

Document Number:

400224186

PluggingBond SuretyID

20110027

3. Name of Operator: KINDER MORGAN CO2 CO LP4. COGCC Operator Number: 466855. Address: 17801 HWY 491City: CORTEZ State: CO Zip: 813216. Contact Name: Paul Belanger Phone: (970)882-2464 Fax: (970)882-5521Email: Paul_Belanger@kindermorgan.com7. Well Name: DOE CANYON Well Number: 138. Unit Name (if appl): DOE CANYON Unit Number: 47612X9. Proposed Total Measured Depth: 8768

WELL LOCATION INFORMATION

10. QtrQtr: TRK 69 Sec: 9 Twp: 40N Rng: 18W Meridian: NLatitude: 37.750750 Longitude: -108.851690Footage at Surface: 1560 feet FNL 2437 feet FEL11. Field Name: MCELMO Field Number: 5367412. Ground Elevation: 7091 13. County: DOLORES

14. GPS Data:

Date of Measurement: 09/20/2011 PDOP Reading: 3.2 Instrument Operator's Name: R.J Caffey15. 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/FWLSec: Twp: Rng: Sec: Twp: Rng: 16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 1486 ft18. Distance to nearest property line: 215 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5280 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.)
Leadville	LDVLL			

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: 22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#: 2008005123a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☐ Yes ☐ No23b. 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):

tracts 69 below surface and vertical pilot, the well will continue horizontally going to the Northwest (az. 300 degrees) and crossing a small portion of tract 68 and continuing into the Horizontal BHL of tract 67. Distance to nearest unaffected lease line for this well is about 725' (tract 70). See attached leases (tracts 69, 68 and 67) = 681 ac.; only tract 69 involved for vertical pilot.

25. Distance to Nearest Mineral Lease Line: 720 ft 26. Total Acres in Lease: 681

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: de-water/cover/salt disp. fclt

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	24	20		0	80	100	80	0
SURF	12+1/4	9+5/8	36	0	2,471	965	2,471	0
1ST	8+3/4	7	29&32	0	8,393	1,490	8,393	0
OPEN HOLE	8+3/4				8,768			

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

33. Comments This is the vertical pilot hole for a subsequent planned horizontal completion; see APD docnum 400224201. Form 15 pit permit being submitted for 2 pits: pit 1 for most of the cuttings will be left on-site, de-watered and covered; Salt section cuttings and muds in vertical pilot will be de-watered and solids hauled offsite to disposal facility.

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: Paul E. Belanger

Title: Regulatory Contractor Date: 12/28/2011 Email: Paul_Belanger@KinderMorgan.

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: 2/15/2012

API NUMBER

05 033 06172 00

Permit Number: _____ Expiration Date: 2/14/2014

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 48 hour notice of spud to COGCC field inspector Steve Labowskie 970-259-0945
steve.labowskie@state.co.us

2) Submit CBL on 7" production casing

Attachment Check List

Att Doc Num	Name
1792396	WAIVERS
1792397	VARIANCE REQUEST
400224186	FORM 2 SUBMITTED
400234225	ACCESS ROAD MAP
400234227	CONST. LAYOUT DRAWINGS
400234229	LEASE MAP
400234230	WELL LOCATION PLAT
400234233	H2S CONTINGENCY PLAN
400234235	OTHER
400234236	DRILLING PLAN
400235640	LEGAL/LEASE DESCRIPTION

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed.	2/14/2012 7:04:38 AM
Permit	Distance to nearest property line of 215' verified per Paul Belanger therefore the waiver and variance request letter are un-necessary.	1/18/2012 6:19:03 AM

Total: 2 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)