

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:
400242508

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: Erin Bibeau Phone: (970)419-7816 Fax: (970)493-9219
Email: ebibeau@marathonoil.com

7. Well Name: Crow Valley 7-62-34 Well Number: 2H

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

9. Proposed Total Measured Depth: 10618

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 34 Twp: 7N Rng: 62W Meridian: 6
Latitude: 40.536720 Longitude: -104.311002

Footage at Surface: 455 feet FNL 1862 feet FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 4914.9 13. County: WELD

14. GPS Data:
Date of Measurement: 11/30/2011 PDOP Reading: 2.2 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

729 FNL 1866 FWL 600 FSL 1987 FWL

Sec: 34 Twp: 7N Rng: 62W Sec: 34 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: 1620 ft

18. Distance to nearest property line: 455 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5200 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 #: _____

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 34, T7N, R62W, 6th P.M.

25. Distance to Nearest Mineral Lease Line: 455 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		0	40			
SURF	12+1/4	9+5/8	40	0	680	211	680	0
1ST	8+3/4	7	32	0	7,130	110	7,130	6,000
2ND	6	4+1/2	11.6	6980	10,618	200	10,618	6,980

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

33. Comments Well 7-62-34 SHL is 13' from Crow Valley 7-62-27 SHL. This is a dual pad with one horizontal BHL in Section 27 and one horizontal BHL in Section 34. Related Form 2A is being filed concurrently with Form 2. Marathon requests approval of Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window. Waiver and exception request attached.

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: Erin Bibeau

Title: Regulatory Compliance Rep Date: 2/7/2012 Email: ebibeau@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:  Director of COGCC Date: 2/29/2012

API NUMBER **05 123 35186 00** Permit Number: _____ Expiration Date: 2/27/2014

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.

Operator must meet water well sampling requirements as per Rule 318A.

- 1) Provide 48 hour notice of MIRU to John Montoya by e-mail at John.Montoya@state.co.us. Indicate Spud Notice in the subject line and provide the following information: Operator Name, Well Name and Number, API #, Spud Date, Contact Name, Contact Phone #, Email Address. Submit Form 42 electronically after April 1 for spud notice.
- 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.

Attachment Check List

Att Doc Num	Name
400242508	FORM 2 SUBMITTED
400242600	SURFACE AGRMT/SURETY
400248174	EXCEPTION LOC WAIVERS
400248175	EXCEPTION LOC REQUEST
400248176	30 DAY NOTICE LETTER
400248179	WELL LOCATION PLAT
400249419	DEVIATED DRILLING PLAN
400249421	OTHER

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No LGD or public comment received; final review completed.	2/29/2012 5:18:01 AM
Permit	Changed top pf productive zone per E. Bibeau	2/10/2012 7:28:10 AM
Permit	Chesapeake well has been withdrawn.	2/10/2012 7:10:48 AM
Permit	On hold- Footage at top of productive zone done incorrectly.	2/8/2012 8:45:19 AM
Permit	On hold-waiting for clarification on the existing Chesapeake Franks well already approved in the section.	2/8/2012 8:02:09 AM

Total: 5 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Storm Water/Erosion Control	Stormwater Management Plans (SWMP) will be in place to address construction, drilling and operations associated with Oil and Gas Development throughout the state of Colorado in accordance with Colorado Department of Public Health (CDPHE). BMPS will be constructed around the perimeter of the site prior to or at the beginning of construction. BMPs used will vary according to the location and will remain in place until the pad reaches final reclamation.
General Housekeeping	Cleanup will consist of patrolling the roadways, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any containment soil. These materials will be disposed of properly.
Material Handling and Spill Prevention	Spill prevention control and counter measures (SPCC) plans will be in place to address any possible spills associated with Oil and Gas operations throughout the State of Colorado in accordance with 40 CFR 112.
General Housekeeping	Housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup is required to minimize any commingling of waste materials with stormwater runoff. Routine maintenance will be limited to fueling and maintenance will be containerized and transported offsite for disposal or recycling. There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls.

Total: 4 comment(s)