

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



DE	ET	OE	ES
Document Number: 400243040			
PluggingBond SuretyID 19880020			

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 ☐

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 7-62-27 Well Number: 2H
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 11665

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 34 Twp: 7N Rng: 62W Meridian: 6
Latitude: 40.536683 Longitude: -104.311099

Footage at Surface: 468 feet FNL/FSL 1836 feet FEL/FWL
FNL FWL

11. Field Name: Wildcat Field Number: 99999
12. Ground Elevation: 4915.3 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 470 FSL 1854 FWL 470 FNL 2000 FWL
Bottom Hole: FNL/FSL 470 FNL 2000 FWL
Sec: 27 Twp: 7N Rng: 62W Sec: 27 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: 1836 ft

18. Distance to nearest property line: 468 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5100 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.)
Niobrara	NBRR	407-501	640	ALL

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: 1244.10

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 27 T7N R62W, 6th P.M.

25. Distance to Nearest Mineral Lease Line: 468 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		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	11,665	254	11,665	6,980

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

33. Comments Well 7-62-27 SHL is 13' from Crow Valley 7-62-34 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 35199 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
400243040	FORM 2 SUBMITTED
400243053	WELL LOCATION PLAT
400243063	SURFACE AGRMT/SURETY
400248191	EXCEPTION LOC WAIVERS
400248193	30 DAY NOTICE LETTER
400249427	DIRECTIONAL DATA
400249428	DEVIATED DRILLING PLAN
400249429	OTHER
400249834	EXCEPTION LOC REQUEST

Total Attach: 9 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 5:23:41 AM
Permit	Setbacks revised on order to 460 feet. Not 600 feet.	2/15/2012 11:00:12 AM
Permit	spacing order says well must be 600 feet from unit boundary. Top of production is 470 feet as reported on form 2. Bottom hole is 470 feet from section line.	2/15/2012 9:10:34 AM
Permit	Footage of top of producing zone changed E. bibeau. However isn't supported by whats seen on the plan directional.	2/10/2012 11:48:06 AM
Permit	footage at the top of the productive zone is shown incorrectly.	2/8/2012 8:42:10 AM
Permit	Operator corrected attachments. This form has passed completeness.	2/7/2012 4:13:37 PM
Permit	Returned to draft. Attachments won't open.	2/7/2012 4:03:09 PM

Total: 7 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)