

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



Document Number:

400235269

Date Received:

02/09/2012

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 ☐

PluggingBond SuretyID

3. Name of Operator: NOBLE ENERGY INC

4. COGCC Operator Number: 100322

5. Address: 1625 BROADWAY STE 2200

City: DENVER State: CO Zip: 80202

6. Contact Name: Tania McNutt Phone: (303)228-4392 Fax: (303)228-4286

Email: tmcnutt@nobleenergyinc.com

7. Well Name: RULISON FEDERAL Well Number: 20-32B (20F)

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

9. Proposed Total Measured Depth: 10991

WELL LOCATION INFORMATION

10. QtrQtr: SWNW Sec: 20 Twp: 7S Rng: 94W Meridian: 6

Latitude: 39.425755 Longitude: -107.915428

Footage at Surface: 2179 feet FNL/FSL 1141 feet FEL/FWL
FNL FWL

11. Field Name: Rulison Field Number: 75400

12. Ground Elevation: 7907 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 09/18/2008 PDOP Reading: 2.5 Instrument Operator's Name: Richard Bullen

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
1799 FNL 1943 FEL 1799 FNL 1943 FEL
Sec: 20 Twp: 7S Rng: 94W Sec: 20 Twp: 7S Rng: 94W

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: 1258 ft

18. Distance to nearest property line: 847 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 314 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 | 139-73 | 40 | SWNE |
| Williams Fork | WMFK | 139-73 | 40 | SWNE |

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC67544

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):

Oil and Gas Lease on file with COGCC

25. Distance to Nearest Mineral Lease Line: 840 ft

26. Total Acres in Lease: 736

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: Closed Loop

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 | Line Pipe | 0 | 120 | 15 | 120 | 0 |
| SURF | 12+1/4 | 8+5/8 | 24# | 0 | 1,500 | 575 | 1,500 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6# | 0 | 10,991 | 730 | 10,991 | |

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

33. Comments The Production Casing Top of Cement will be 200 feet above Top of Gas. All conditions are the same as prior approved permit. The Pad has been built. This well is part of the RULISON 20F Pad. The Surface Hole Location of this well is located in Project Rulison 3-Mile Radius Tier II. DOE was notified 9/17/09. A closed loop pitless system will be used for this APD. This location does not require a variance from any of the rules listed in COGCC Rule 306.d (1). (A).(ii).This location is in a Sensitive Wildlife Habitat, however, a Wildlife Mitigation Plan was executed with the CDOW on May 24th, 2010, that specifically covers the pad for this well and it is valid for six years.

34. Location ID: 414880

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: Tania McNutt

Title: Regulatory Analyst Date: 2/9/2012 Email: tmcnutt@nobleenergyinc.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: 3/6/2012

API NUMBER

05 045 18937 00

Permit Number: _____ Expiration Date: 3/5/2014

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) COMPLY WITH ALL DOE OFFICE OF LEGACY MANAGEMENT REQUESTS FOR SAMPLING AND ANALYSIS OF NATURAL GAS AND OTHER MATERIALS ASSOCIATED WITH DRILLING AND PRODUCTION.

5) FLOWBACK TO TANKS ONLY. SUBMIT A SECONDARY AND TERTIARY CONTAINMENT PLAN VIA SUNDRY NOTICE FORM 4 FOR THE TANKS. SUBMIT VIA EMAIL TO RULISON.SUBMITTAL@STATE.CO.US OBTAIN APPROVAL OF THE PLAN PRIOR TO FLOWBACK.

6) SPUD NOTICE MUST IDENTIFY IF THE WELL IS LOCATED IN TIER I OR TIER II OF THE APPROVED RULISON SAMPLING AND ANALYSIS PLAN.

7) OPERATOR SHALL PROVIDE COMPLETE WELL-SPECIFIC EMERGENCY CONTACT INFORMATION TO THE COGCC AREA INSPECTOR IN THE SPUD NOTICE PRIOR TO SPUDDING THE WELL.

8) PRODUCED WATER FROM THIS LOCATION MAY NOT BE TRANSPORTED TO OR RE-USED AT ANOTHER LOCATION WITHOUT SPECIFIC WRITTEN APPROVAL FROM COGCC AND ONLY AFTER ANALYSIS CONFIRMS COMPLIANCE WITH THE RULISON SAP.

9) DRILL SOLIDS AND CUTTINGS FROM THIS LOCATION MAY NOT BE TRANSPORTED TO, DISPOSED OF OR RE-USED AT ANOTHER LOCATION WITHOUT SPECIFIC WRITTEN APPROVAL FROM COGCC AND ONLY AFTER ANALYSIS CONFIRMS COMPLIANCE WITH THE RULISON SAP.

10) A CLOSED LOOP MUD SYSTEM SHALL BE UTILIZED TO ENSURE CONTAINMENT OF ALL MATERIALS THAT HAVE BEEN IN CONTACT WITH DOWNHOLE STRATA AND FLUIDS. ALL CUTTINGS AND FRESH MAKE UP WATER STORAGE PITS SHALL BE LINED TO ENSURE CONTAINMENT. CONTOUR FEATURES, FRENCH DRAINS AND OTHER STORMWATER BMPs AS NECESSARY SHALL BE EMPLOYED TO ENSURE SITE INTEGRITY.

11) NO INDIVIDUAL OPERATOR SHALL UTILIZE MORE THAN ONE RIG WITHIN ONE MILE OF THE PROJECT RULISON BLAST SITE AT ANY GIVEN TIME AND NO INDIVIDUAL OPERATOR SHALL UTILIZE MORE THAN TWO RIGS WITHIN A THREE MILE RADIUS OF THE SITE AT ANY GIVEN TIME. THE TOTAL NUMBER OF RIGS ALLOWED BY ALL OPERATORS WITHIN THREE MILES OF THE SITE SHALL BE LIMITED TO FIVE AT ANY GIVEN TIME.

12) OPERATOR SHALL COMPLY WITH ALL PROVISIONS OF THE MOST RECENT COGCC APPROVED REVISION OF THE RULISON SAMPLING AND ANALYSIS PLAN. IN ADDITION TO THE PRODUCED WATER SAMPLING AND ANALYSIS OUTLINED IN SECTION 5.8 OF THE PLAN THE OPERATORS SHALL ALSO OBTAIN AND ANALYZE PRODUCED WATER SAMPLES ON WELLS DESCRIBED IN THE PLAN FOR CONSTITUENTS LISTED IN THE PLAN USING THE SPECIFIED METHOD WHERE APPLICABLE.

13) THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1 MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 150 FEET DEEP.

Operator agrees to accommodate all future DOE sampling requests. Operator's letter of notification to DOE and DOE's approval of BHL in Tier II, Rulison, in well file.

Attachment Check List

| Att Doc Num | Name |
|-------------|----------------------|
| 400235269 | FORM 2 SUBMITTED |
| 400250366 | H2S CONTINGENCY PLAN |
| 400250367 | WELL LOCATION PLAT |

Total Attach: 3 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|-------------------------|
| Permit | SUA in well file. LGD passed;public comments waived. Final Comprehensive Review Status--passed. | 3/2/2012 7:22:41 AM |
| LGD | Passed | 2/16/2012 9:32:32 AM |

Total: 2 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--|---|
| Drilling/Completion Operations | <ul style="list-style-type: none">• Spill reporting and cleanup per COGCC guidelines, EPA regulations, CDPEH regulations, and Noble Energy Inc. policies. |
| General Housekeeping | <ul style="list-style-type: none">• Waste minimization practices including re-use and recycling when practicable.• Waste management (handling and disposal) practices in accordance with COGCC rules and RCRA guidelines as applicable.• Good housekeeping practices relative to overall site condition. |
| Interim Reclamation | Use of portable toilets whenever long-term activities are occurring onsite. |
| Material Handling and Spill Prevention | <ul style="list-style-type: none">• Spill Prevention Control and Countermeasure (SPCC) Plans in accordance with 40 CFR, Part 112.• Secondary containment for oil and produced water vessels in accordance with COGCC rules. |
| Storm Water/Erosion Control | <ul style="list-style-type: none">• Stormwater management practices during construction and interim reclamations phases in accordance with CDPHE regulations.• Stormwater management practices in accordance with COGCC rules throughout the operating life of the locations. |
| Planning | <ul style="list-style-type: none">• Traffic minimization practices whenever possible in order to reduce dust, noise, congestion, road maintenance.• Noise minimization.• Use of multi-well pad sites for the purpose of minimizing areas of disturbance, traffic, and environmental impact.• Proper reclamation and reseeding practices in accordance with COGCC rules, landowner requirements and BLM stipulations as applicable. |
| Wildlife | Bird protection practices in accordance with the Migratory Bird Act. |

Total: 7 comment(s)