

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:

400248588

Date Received:

02/14/2012

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 7-63-31 Well Number: 2H

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

9. Proposed Total Measured Depth: 11624

WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 30 Twp: 7N Rng: 62W Meridian: 6

Latitude: 40.538701 Longitude: -104.367148

Footage at Surface: 407 feet FSL 2142 feet FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 4812.8 13. County: WELD

14. GPS Data:

Date of Measurement: 11/29/2011 PDOP Reading: 2.7 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
470 FNL 2100 FWL 470 FSL 1931 FWL
Sec: 31 Twp: 7N Rng: 62W Sec: 31 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: 2215 ft

18. Distance to nearest property line: 407 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1134 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 | 407-559 | 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 31, T7N, R62W, 6th P.M.

25. Distance to Nearest Mineral Lease Line: 470 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 | 0.5 | 0 | 90 | | | |
| SURF | 12+1/4 | 9+5/8 | 40 | 0 | 700 | 160 | 700 | 0 |
| 1ST | 8+3/4 | 7 | 32 | 0 | 7,118 | 110 | 7,118 | 0 |
| 2ND | 6 | 4+1/2 | 11.6 | 6970 | 11,620 | 260 | 11,620 | 6,970 |

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

33. Comments Well 7-62-30 SHL is 30' from Crow Valley 7-62-30 SHL. This is a dual well pad with one horizontal BHL in Section 31 and one horizontal BHL in Section 31. 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: 2/14/2012 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: 3/8/2012

API NUMBER

05 123 35247 00

Permit Number: _____ Expiration Date: 3/7/2014

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 |
|-------------|------------------------|
| 400248588 | FORM 2 SUBMITTED |
| 400249794 | DIRECTIONAL DATA |
| 400249795 | WELL LOCATION PLAT |
| 400249796 | DEVIATED DRILLING PLAN |
| 400249798 | OTHER |
| 400251119 | EXCEPTION LOC WAIVERS |
| 400251120 | EXCEPTION LOC REQUEST |
| 400251121 | 30 DAY NOTICE LETTER |
| 400251122 | SURFACE AGRMT/SURETY |

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. | 3/7/2012 12:41:13 PM |
| Permit | Operator corrected #15, 22, and 23. This form has passed completeness. | 2/14/2012 3:13:41 PM |
| Permit | Returned to draft. Missing #15, 22, 23, | 2/14/2012 2:42:58 PM |

Total: 3 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)