

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:

400251852

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)419-8716 Fax: (970)493-9219

Email: ebibeau@marathonoil.com

7. Well Name: Crow Valley 7-62-23 Well Number: 2H

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

9. Proposed Total Measured Depth: 10765

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 23 Twp: 7N Rng: 62W Meridian: 6

Latitude: 40.566065 Longitude: -104.291052

Footage at Surface: 320 feet FNL 2036 feet FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 4884.6 13. County: WELD

14. GPS Data:

Date of Measurement: 11/01/2011 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: 595 FNL 2036 FWL Bottom Hole: 470 FSL 1988 FWL
Sec: 23 Twp: 7N Rng: 62W Sec: 23 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: 276 ft

18. Distance to nearest property line: 290 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1125 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 #: _____

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 23, 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	.5	0	90			
SURF	12+1/4	9+5/8	40	0	700	160	700	0
1ST	8+3/4	7	32	0	7,050	110	7,050	6,000
2ND	6	4+1/2	11.6	6900	10,764	220	10,764	6,900

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

33. Comments Well 7-62-23 SHL is 30' from Crow Valley 7-62-14 SHL. This is a dual well pad with one horizontal BHL in Section 23 and one horizontal BHL in Section 14. 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 35249 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
2531906	EXCEPTION LOC REQUEST
2531986	EXCEPTION LOC WAIVERS
400251852	FORM 2 SUBMITTED
400251863	DIRECTIONAL DATA
400251864	WELL LOCATION PLAT
400251865	DEVIATED DRILLING PLAN
400251866	OTHER
400251867	SURFACE AGRMT/SURETY
400251981	30 DAY NOTICE LETTER
400251982	30 DAY NOTICE LETTER

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No LGD or public comment received; final review completed.	3/8/2012 5:56:06 AM
Permit	Updated permit with request and waiver.	2/28/2012 11:07:38 AM
Permit	Setbacks revised on order to 460 feet. Not 600 feet.	2/15/2012 10:55:57 AM
Permit	Power line is 350 feet from the well.	2/15/2012 10:22:38 AM
Permit	Well is outside the GWA drilling windows Rule 318Aa. Needs exception location request and waiver.	2/15/2012 8:46:57 AM
Permit	form 2A says power line 120 feet from well. Needs to be clarified.	2/15/2012 8:41:45 AM
Permit	spacing order says well must be 600 feet from unit boundary. Top of production is 595 feet as reported on form 2. Bottom hole is 470 feet from section line.	2/15/2012 8:27:35 AM

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)