

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:

400224237

Date Received:

02/10/2012

PluggingBond SuretyID

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☐ GAS ☐ COALBED ☐ OTHER CO2
 SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐

Refiling ☐Sidetrack ☒3. Name of Operator: KINDER MORGAN CO2 CO LP4. COGCC Operator Number: 466855. Address: 17801 HWY 491City: CORTEZ State: CO Zip: 813216. Contact Name: Paul Belanger Phone: (970)882-2464 Fax: (970)882-5521Email: Paul_Belanger@kindermorgan.com7. Well Name: YB Well Number: 68. Unit Name (if appl): MCELMO DOME Unit Number: 047653X9. Proposed Total Measured Depth: 9954

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 24 Twp: 37N Rng: 18W Meridian: NLatitude: 37.453700 Longitude: -108.789290

Footage at Surface: 1111 feet FNL 812 feet FWL
 FNL/FSL FEL/FWL

11. Field Name: MCELMO Field Number: 5367412. Ground Elevation: 6596 13. County: MONTEZUMA

14. GPS Data:

Date of Measurement: 10/27/2011 PDOP Reading: 1.5 Instrument Operator's Name: R J CAFFEY15. 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
1111 FNL 812 FWL 1112 FNL 1188 FEL
 Sec: 24 Twp: 37N Rng: 18W Sec: 23 Twp: 37N Rng: 18W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 855 ft18. Distance to nearest property line: 846 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2850 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.)
Leadville	LDVLL			

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC2653
&11645A

22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#: 2008005123a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☐ Yes ☐ No23b. 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):

This APD represents the HORIZONTAL portion of the drilling plan and involves 2 leases: COC002653 (560 ac) and COC011645A; see attached lease map. With respect to these 2 combined leases the wellbore path is closest to the lease line of either COC27343 of S13 or COC26376 of S14. See attached lease map

25. Distance to Nearest Mineral Lease Line: 0 ft

26. Total Acres in Lease: 1200

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: de-water and cover

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	24	20		0	80	100	80	0
SURF	12+1/4	9+5/8	36	0	2,899	1,100	2,899	0
1ST	8+3/4	7	29&32	0	7,949	1,770	7,949	0
OPEN HOLE	4+3/4							

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

33. Comments This is the APD application for the horizontal wellbore drilled with a 4 3/4" bit OH as explained in the drilling plans attached. A Form 15 pit permit is being submitted for 2 pits: pit 1 for most of the cuttings will be left on-site, de-watered and covered; NO Salt section cuttings and muds expected in this horizontal wellbore. A KOP will be established from the vertical pilot after logging a 6" OH. The KOP is expected to be around 7949' and drilling to TD as a 4 1/4" OH that will then be completed per drilling plans. Conductor/surface and production casing described for the pilot hole APD docnum 400224236; re-entered here so this could be submitted. BHL is about 2850' from nearest LDVLL well YB5.

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: Paul E. Belanger

Title: Regulatory Contractor

Date: 2/10/2012

Email: Paul_Belanger@KinderMorgan

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: 3/30/2012

API NUMBER

05 083 06696 01

Permit Number: _____

Expiration Date: 3/29/2014

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) Provide 48 hour notice of spud to COGCC field inspector Steve Labowskie 970-259-0945

steve.labowskie@state.co.us

Provide the following information: Operator Name, Well Name and Number, API #, Spud Date, Contact Name, Contact Phone #, Email Address

Attachment Check List

Att Doc Num	Name
1792437	CORRESPONDENCE
400224237	FORM 2 SUBMITTED
400246687	H2S CONTINGENCY PLAN
400246688	OTHER
400246691	DRILLING PLAN
400246692	DEVIATED DRILLING PLAN
400246693	DIRECTIONAL DATA
400246694	WELL LOCATION PLAT
400246695	CONST. LAYOUT DRAWINGS
400246696	OTHER
400246697	TOPO MAP
400246698	LEASE MAP

Total Attach: 12 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed.	3/29/2012 5:59:39 AM
Permit	Horizontal wellbore to be #01.	3/12/2012 5:01:21 AM
Permit	Received authorization from Paul Belanger to change distance to nearest lease line to 0'.	3/2/2012 6:14:02 AM
Permit	Have request authorization to change distance to nearest lease line from 1111' to 0' as the horizontal borehole traverses through both leases. LGD and public comment period expires 3-1-12.	2/29/2012 7:35:02 AM

Total: 4 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)