

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

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Document Number:

400246343

Date Received:

02/09/2012

PluggingBond SuretyID

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: OXY USA INC

4. COGCC Operator Number: 66561

5. Address: PO BOX 27757

City: HOUSTON State: TX Zip: 77227

6. Contact Name: Joan Proulx Phone: (970)263.3641 Fax: (970)263.3694

Email: joan_proulx@oxy.com

7. Well Name: Hells Gulch Federal Well Number: 35-03A

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

9. Proposed Total Measured Depth: 9038

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 26 Twp: 8S Rng: 92W Meridian: 6

Latitude: 39.328340 Longitude: -107.635160

Footage at Surface: 1538 feet FNL/FSL FSL 2349 feet FEL/FWL FWL

11. Field Name: Alkali Creek Field Number: 1950

12. Ground Elevation: 7984 13. County: MESA

14. GPS Data:

Date of Measurement: 10/20/2011 PDOP Reading: 1.8 Instrument Operator's Name: D Murrey

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 275 FNL 2017 FWL 275 FNL 2017 FWL
Bottom Hole: FNL/FSL 275 FNL 2017 FWL 275 FNL 2017 FWL
Sec: 35 Twp: 8S Rng: 92W Sec: 35 Twp: 8S Rng: 92W

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: 3550 ft

18. Distance to nearest property line: 1538 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2565 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.)
Mesaverde	MVRD	529-1		

21. Mineral Ownership: Fee State Federal Indian Lease #: COC66723

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):

See attached Mineral Lease Map

25. Distance to Nearest Mineral Lease Line: 275 ft 26. Total Acres in Lease: 1280

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	24+0/0	16+0/0	65	0	90	4	90	0
SURF	12+1/4	9+5/8	36	0	1,500	330	1,500	0
1ST	7+7/8	4+1/2	11.6	0	8,734	1,472	8,734	4,810

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

33. Comments The USDA Forest Service is the surface owner and mineral owner, and there is an agreement in place for the BLM to manage the minerals. The pad has been leveled but no wells have been drilled. A semi-closed loop system will be used. Oxy will provide appropriate housing for essential personnel in order to conduct safe, efficient drilling operations at this well site. The pad location falls within the Mamm Creek NTO dated July 23, 2004 and revised February 9, 2007; the required wellbore diagram is attached.

34. Location ID: 334517

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: Joan Proulx

Title: Regulatory Analyst Date: 2/9/2012 Email: joan_proulx@oxy.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: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

Att Doc Num	Name
400246343	FORM 2 SUBMITTED
400246356	DEVIATED DRILLING PLAN
400246359	TOPO MAP
400246360	MINERAL LEASE MAP
400246366	WELL LOCATION PLAT
400246367	WELLBORE DIAGRAM
400246369	OTHER
400246377	DRILLING PLAN
400250189	OTHER
400250191	OTHER
400250500	FED. DRILLING PERMIT
400268588	DIRECTIONAL DATA

Total Attach: 12 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)

BMP

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

Total: 0 comment(s)