

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400283817

Date Received:

05/11/2012

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 RD

City: HOUSTON State: TX Zip: 77056

6. Contact Name: Erin Bibeau Phone: (970)4197816 Fax: (970)4939219

Email: ebibeau@marathonoil.com

7. Well Name: Crow Valley 7-62-22 Well Number: 2H

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

9. Proposed Total Measured Depth: 4917

WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 22 Twp: 7N Rng: 62W Meridian: 6

Latitude: 40.553272 Longitude: -104.310667

Footage at Surface: 320 feet FSL 1911 feet FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 4917.1 13. County: WELD

14. GPS Data:

Date of Measurement: 01/27/2012 PDOP Reading: 1.6 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
539 FSL 1911 FWL 470 FNL 1987 FWL
Sec: 22 Twp: 7N Rng: 62W Sec: 22 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: 1900 ft

18. Distance to nearest property line: 320 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1762 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 22 T7N, R62W

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	3+3/4	7	32	0	7,124	110	7,124	6,100
2ND	6	4+1/2	11.6	6974	10,872	220	10,872	6,974

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

33. Comments Approval is requested to sidetrack our Crow Valley 7-62-22-2H well (API #: 05 123 35322 00) Well History: • 5/3/12: Spud • 5/4/12: Drilled 12 1/4" hole to 715' • 5/5/12: Ran and cemented 9 5/8" casing • 5/5/12: NU and tested BOPE • 5/7/12: TD 8 3/4" intermediate hole at 7372' MD (6639' TVD). o KOP for curve was ~5870' MD o Well was landed at 7372' MD with 92 deg inclination o 1012' N & 13' E of SHL • 5/9/12: Attempted to run 9 5/8" casing. Hit bridge at 6620' (MD). Wash and ream but could not get deeper than 6648' • 5/10/12: Pull and laydown 7" casing • 5/11/12: RIH with bit and motor on DP. Tag bridge. Wash and ream to 6610. Unable to clean out hole any deeper. Hole keeps caving in on us. Plan: • POOH with bit • RIH open ended to ~6150' • Spot 500' long cement plug in 8 3/4" hole. POOH and WOC • RIH w/ bit. Dress plug to ~5910' (MD) • Redrill curve. o KOP: ~5910' MD, 5910' TVD o EOC: ~6650' TVD o TD Int hole: ~6650' TVD. This will be ~ 10' deeper and 10-20' east of original TD • Run and cement 7" casing per original APD • Drill 6" lateral to original BHL • Run 4 1/2" liner with swellable packers per original APD

34. Location ID: 428324

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: 5/11/2012

Email: ebibeau@marathonoil.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: 5/11/2012

API NUMBER

05 123 35322 01

Permit Number: _____ Expiration Date: 5/10/2014

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) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 2) Comply with Rule 317.i and provide cement coverage from end of 7" to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Comply with Rule 321. 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
400283817	FORM 2 SUBMITTED
400283831	WELL LOCATION PLAT
400283832	DEVIATED DRILLING PLAN
400283838	DIRECTIONAL DATA

Total Attach: 4 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>
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)