

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:

400287245

Date Received:

05/22/2012

PluggingBond SuretyID

20060139

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: Jones A Well Number: #1

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

9. Proposed Total Measured Depth: 5480

WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 13 Twp: 33S Rng: 42W Meridian: 6

Latitude: 37.165601 Longitude: -102.108334

Footage at Surface: 669 feet FNL/FSL 1415 feet FEL/FWL
 FSL FWL

11. Field Name: Midway Field Number: 54952

12. Ground Elevation: 3755 13. County: BACA

14. GPS Data:

Date of Measurement: 07/03/2007 PDOP Reading: 6.0 Instrument Operator's Name: T Harder

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

Sec: Twp: Rng: Sec: Twp: Rng:

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: 1415 ft

18. Distance to nearest property line: 670 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5350 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.)
Mississippian	MSSP			

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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 ☐ 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):

N1/2, SW1/4, Sec 13, T33S, R42W, 6 PM

25. Distance to Nearest Mineral Lease Line: 670 ft

26. Total Acres in Lease: 480

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
SURF	12+1/4	8+5/8	24	0	1,426	600	1,426	0
1ST	7+7/8	5+1/2	17	0	5,460	340	5,460	2,787

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

33. Comments The Jones A #1 well was originally drilled in August, 2007. The well was determined to be dry and was plugged and abandoned. Oxy USA Inc. is planning to re-enter and complete this well. The original pit has been reclaimed. A Form 4 Sundry was sent to the COGCC explaining that Oxy USA Inc. is planning to re-enter the well.

34. Location ID: 379383

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: 5/22/2012 Email: joan_proulx@oxy.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: 7/22/2012

API NUMBER

05 009 06641 00

Permit Number: _____ Expiration Date: 7/21/2014

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 prior to spud via electronic Form 42.
- 2) If production casing is set provide cement coverage to at least 200' above the Topeka. Verify with CBL.
- 3) If well is a dry hole set the following plugs: 40 sks cement +/- 50' above the Morrow, 40 sks cement +/- 50' above the Topeka, 40 sks cement across any zone or DST w/ show, 50 sks cement from 50' below surface casing shoe up into surface casing, 15 sks cement in top of surface csg, cut 4 ft below GL, weld on plate, 5 sks cement each in rat hole and mouse hole.

Attachment Check List

Att Doc Num	Name
400287245	FORM 2 SUBMITTED
400287262	WELL LOCATION PLAT
400287263	WELL LOCATION PLAT
400287264	TOPO MAP

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Distance to nearest cultural feature corrected to match Form 2A per opr. Form 4 approved by engineering. Final Review passed 7/16/2012 NKP	7/16/2012 2:18:47 PM
Permit	Per opr: 1)Thank you for making the correction to the lat/long figures. 2)This is not a directional well; please correct the information in #15. 3)After talking with our Land Department, the surface owner/mineral owner is committed to a lease and it has been signed. Right to construct is via lease.	6/25/2012 2:07:14 PM
Engineer	Changed TOC on production casing from 3510' to 2787' to reflect Topeka coverage required. Increased cement volume proportionally from 248 sx to 340 sx.	6/19/2012 3:02:01 PM
Permit	Lat/Long corrected per correspondence attached to 2A location assessment. No deviated drilling plan attached. Directional footages seem to indicate a vertical hole. Form 2 and 2A have different responses on right to construct. On hold 6/13/2012	6/13/2012 2:10:17 PM
Permit	Operator made corrections.	6/4/2012 10:35:19 AM
Permit	Returned to draft. Original comments were not addressed - plugging bond number and line 17.	5/4/2012 9:51:18 AM
Permit	Returned to draft. Invalid plugging bond number and #17 is different then original permit.	5/22/2012 11:55:40 AM

Total: 7 comment(s)

BMP

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

Total: 0 comment(s)