

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:

400315606

Date Received:

08/17/2012

PluggingBond SuretyID

20030028

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: SWEPI LP

4. COGCC Operator Number: 78110

5. Address: 4582 S ULSTER ST PKWY #1400

City: DENVER State: CO Zip: 80237

6. Contact Name: Anne Baldrige Phone: (303)305-7555 Fax: (303)305-7554

Email: A.Baldrige@shell.com

7. Well Name: Hamilton Well Number: 2-29

8. Unit Name (if appl): Williams Fork Unit Number: COC74956X

9. Proposed Total Measured Depth: 5590

WELL LOCATION INFORMATION

10. QtrQtr: TRT 61 Sec: 29 Twp: 5N Rng: 91W Meridian: 6

Latitude: 40.354233 Longitude: -107.621667

Footage at Surface: 1904 feet FNL/FSL 96 feet FEL/FWL FEL

11. Field Name: Moffat Field Number: 55700

12. Ground Elevation: 6343 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 06/01/2012 PDOP Reading: 1.3 Instrument Operator's Name: G.McElroy

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

Footage at Top of Prod Zone: FNL/FSL 1881 FSL 184 FEL 845 FNL 852 FEL 845
Sec: 29 Twp: 5N Rng: 91W Sec: 32 Twp: 5N Rng: 91W

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: 423 ft

18. Distance to nearest property line: 330 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 246 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			

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):

T5N, R91W; see attached mineral lease map and legal/lease description. Horizontal wellbore will produce from multiple fee leases

25. Distance to Nearest Mineral Lease Line: 0 ft

26. Total Acres in Lease: 520

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	30	20		0	90	156	90	0
SURF	13+1/2	10+3/4	40.5	0	800	439	800	0
1ST	7+7/8	5+1/2	17	0	5,590	0	5,590	
			Stage Tool		2,691	58	2,691	2,191

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

33. Comments Depending on subsurface conditions, a contingency well design is included detailed on the attached contingency wellbore diagram. Attachments include a drilling and completion plan. The well trajectory lies approximately 800' from the unit boundary at the closest point.

34. Location ID: 429897

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: Aleta Brown

Title: Environmental Specialist Date: 8/17/2012 Email: abrown@norwestcorp.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: Matthew Lee Director of COGCC Date: 9/14/2012

API NUMBER

05 081 07752 00

Permit Number: _____ Expiration Date: 9/13/2014

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) CEMENT ON PRODUCTION CASING MUST BE AT LEAST 200' ABOVE TOP OF FT. UNION AND COMPLY WITH RULES 209 AND 317.I. SEGREGATE OIL, GAS, AND FRESH-WATER-BEARING ZONES AND PROTECT COAL SEAMS. VERIFY TOP WITH CBL.

(3) THE MOISTURE CONTENT OF ANY DRILL CUTTINGS IN A CUTTINGS PIT, TRENCH, OR PILE SHALL BE AS LOW AS PRACTICABLE TO PREVENT ACCUMULATION OF LIQUIDS GREATER THAN DE-MINIMIS AMOUNTS. AT THE TIME OF CLOSURE, THE DRILL CUTTINGS MUST ALSO MEET THE APPLICABLE STANDARDS OF TABLE 910-1.

(4) THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 130 FEET DEEP.

Attachment Check List

Att Doc Num	Name
1533668	LEGAL/LEASE DESCRIPTION
400315606	FORM 2 SUBMITTED
400315612	DEVIATED DRILLING PLAN
400315616	LEASE MAP
400315656	DIRECTIONAL DATA
400315667	WELL LOCATION PLAT
400315714	TOPO MAP
400315777	WELLBORE DIAGRAM
400315844	PROPOSED BMPs
400317437	DRILLING PLAN

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Confirmed total acres is correct. Attached revised legal/lease description. Horizontal wellbore crosses lease lines; distance to nearest lease line is 0'; distance to fed. unit boundary is 705'.	9/13/2012 2:23:25 PM
Permit	Need total acres for all fee leases crossed by horiz. wellbore. Shortest distance to fed. unit boundary is 705' (from BHL).	9/7/2012 2:51:34 PM
Permit	Corrected des. agent contact; A. Baldridge not des. agent.	8/20/2012 3:19:46 PM

Total: 3 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Material Handling and Spill Prevention	Spill Prevention Control & Countermeasure Plans (SPCC) are in place to address material releases and to prescribe materials handling BMPs for the facility. "Good house-keeping" measures will be taken to ensure proper waste disposal.
Interim Reclamation	Shell will consult with and follow the recommendations of the County Weed Supervisor.
Site Specific	Operator has agreed to conduct baseline and follow-up sampling in accordance with attached "Groundwater Baseline Monitoring Program - SWAN document".
Storm Water/Erosion Control	<p>Stormwater Management Plans (SWMP) are in place to comply with both Colorado Department of Public Health and Environment (CDPHE) and Colorado Oil and Gas Conservation Commission (COGCC) stormwater discharge permits. The construction layout for this well details Best Management Practices (BMP) to be installed during initial construction. Note that BMPs may be removed, altered, or replaced with changing conditions in the field and the SWMP will be updated accordingly. The BMPs prescribed for the initial construction phase include, but are not limited to:</p> <ul style="list-style-type: none">• Construction diversion ditch• Sediment reservoirs• Check dams• Level spreaders• Stabilized construction entrance• Slash• Sediment trap• Wattle• Terrace• Secondary containment berms• Detention ponds

Total: 4 comment(s)