

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:

400328884

Date Received:

10/02/2012

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 LP4. COGCC Operator Number: 781105. Address: 4582 S ULSTER ST PKWY #1400City: DENVER State: CO Zip: 802376. Contact Name: Nancy Feck Phone: (307)367-7934 Fax: (307)367-4285Email: N.Feck@shell.com7. Well Name: Herring Draw Well Number: 4-338. Unit Name (if appl): Williams Fork Unit Number: COC74956X9. Proposed Total Measured Depth: 7219

WELL LOCATION INFORMATION

10. QtrQtr: LOT 4 Sec: 33 Twp: 5N Rng: 90W Meridian: 6Latitude: 40.345719 Longitude: -107.505622Footage at Surface: 1223 feet FNL/FSL 1007 feet FEL/FWL FWL11. Field Name: Waddle Creek Field Number: 9045012. Ground Elevation: 6804 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 08/17/2012 PDOP Reading: 2.1 Instrument Operator's Name: Dallas Nelson15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**Footage at Top of Prod Zone: FNL/FSL 1274 FNL 977 FWL 785 FSL 1629 FEL FWL
Sec: 33 Twp: 5N Rng: 90W Sec: 32 Twp: 5N Rng: 90W16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 1389 ft18. Distance to nearest property line: 321 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 702 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 Shale	NBRR			

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):

Please see attached Mineral Lease map and legal lease description sheet. Distance to nearest Unit boundary is 10,494'. Horizontal wellbore crosses multiple fee leases.

25. Distance to Nearest Mineral Lease Line: 0 26. Total Acres in Lease: 1163

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		90	0
SURF	13+1/2	10+3/4	40.5lbs	0	1,000	540	1,000	0
1ST LINER	7+7/8	5+1/2	17lbs	0	7,219	78	2,690	1,890

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

33. Comments Depending on subsurface conditions, intermediate casing may be used. If intermediate casing is used, the hole will be 9 7/8". Intermediate casing of 7 5/8" will run from the surface to 2690' with cement from 2690' to 1890'. The production hole will be drilled at 6 3/4". A 5 1/2" production liner will be installed from 2490' to 7219', uncemented. A 9pt. drilling plan outlining this procedure is attached. Item #25. Distance to nearest Unit boundary is 10,494'.

34. Location ID: 427213

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: Nancy Feck

Title: Regulatory Technician Date: 10/2/2012 Email: N.Feck@shell.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: 10/26/2012

API NUMBER

05 081 07758 00

Permit Number: _____ Expiration Date: 10/25/2014

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.

Attachment Check List

Att Doc Num	Name
400328884	FORM 2 SUBMITTED
400330608	WELL LOCATION PLAT
400330609	TOPO MAP
400330610	DEVIATED DRILLING PLAN
400330614	WELLBORE DIAGRAM
400330615	WELLBORE DIAGRAM
400330653	SURFACE AGRMT/SURETY
400330763	MINERAL LEASE MAP
400330764	LEGAL/LEASE DESCRIPTION
400330816	DRILLING PLAN
400331157	DIRECTIONAL DATA

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No LGD or public comments. Final Review--passed.	10/25/2012 6:50:54 AM
Engineer	THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 000 FEET DEEP.	10/17/2012 1:28:43 PM
Permit	Directional drilling template/import data values match the deviated drill plan and excel spreadsheet.	10/4/2012 6:23:15 PM
Permit	Return to draft: 1. Directional drilling excel spreadsheet and deviated drilling plan data values do not match the directional drilling template/import data values.	10/3/2012 10:32:05 PM

Total: 4 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
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 the Herring Draw 1-33 location details Best Management Practices(BMP) to be installed during initial construction. Note that BMP's may be removed, altered, or replace with changing conditions in the field and the stormwater management plan will be updated accordingly. The BMP's prescribed for the initial construction phase include, but are not limited to:</p> <ul style="list-style-type: none">-Construct diversion ditch-Sediment reservoirs-Check dams-Level spreaders-Stabilized construction entrance-Slash-Sediment trap-Wattle-Terrace-Secondary containment berms-Detention ponds
Wildlife	<p>1) Shell will make a good faith effort to finish drilling at this location outside of the period between December 1 and April 15.</p> <p>2) Shell agrees that for future reentry to this well site, if applicable, will occur outside of the period between December 1 and April 15.</p> <p>3) Interim and final reclamation will match existing vegetation.</p> <p>4) Avoid aggressive non-native grasses and shrubs in mule deer and elk habitat restoration.</p> <p>5) Shell will include a weed management plan and implement the plan as part of reclamation.</p> <p>6) Conduct post-development well site visitations between December 1 and April 15 in mule deer and elk winter range.</p> <p>7) Gate single-purpose roads and restrict general public access to reduce traffic disruptions to wildlife - consistent with the surface owner's goals.</p> <p>If possible will use existing 2 track or other existing road or semi road to minimize vegetation disturbance, soil disturbance and potential access to the property.</p>
Material Handling and Spill Prevention	<p>Spill Prevention Plans (SPCC) are in place to address material releases and to prescribe materials handling BMP's from the facility. "Good house-keeping" measures will be taken to ensure proper waste disposal.</p>

Total: 3 comment(s)