

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:

400334495

Date Received:

10/25/2012

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: Nancy Feck Phone: (307)367-7934 Fax: (307)367-4285

Email: N.Feck@shell.com

7. Well Name: Deal Gulch Well Number: 6-16

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

9. Proposed Total Measured Depth: 10154

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 16 Twp: 5N Rng: 90W Meridian: 6

Latitude: 40.387931 Longitude: -107.498039

Footage at Surface: 2168 feet FNL/FSL FNL 2391 feet FEL/FWL FEL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 7210 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 08/09/2012 PDOP Reading: 1.3 Instrument Operator's Name: B.Hunting

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

Footage at Top of Prod Zone: FNL/FSL 1480 FNL 2962 FEL 496 FSL 1804 FEL 496
Sec: 16 Twp: 5N Rng: 90W Sec: 17 Twp: 5N Rng: 90W

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: 2190 ft

18. Distance to nearest property line: 2168 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 306 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 #: COC68823

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):

Please see attached mineral lease map and lease descriptions. The Horizontal wellbore will be producing from multiple leases. Distance to the nearest Unit boundary is 621'.

25. Distance to Nearest Mineral Lease Line: 0 26. Total Acres in Lease: 2507

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	40.5	0	1,250	667	1,250	0
2ND	7+7/8	5+1/2	17	0	10,154	78	4,760	3,960

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 drilled at 9 7/8". Intermediate casing of 7 5/8" will run from the surface to 4760' with cement from 4760' to 3960'. The production hole will be drilled at 6 3/4". A 5 1/2" production liner will be intalled from 4560' to 10,154', uncemented. Item #22. Horizontal wellbore will produce from multiple leases. Item #25. Distance to the nearest Unit boundary is 621.

34. Location ID: 428535

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: 10/25/2012 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: 11/26/2012

API NUMBER

05 081 07766 00

Permit Number: _____ Expiration Date: 11/25/2014

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.

2) PRODUCTION CASING (OR INTERMEDIATE CASING IF USED) CEMENT TOP VERIFICATION BY CBL REQUIRED.

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400334495	FORM 2 SUBMITTED
400334556	WELL LOCATION PLAT
400334562	MINERAL LEASE MAP
400334563	LEGAL/LEASE DESCRIPTION
400336478	TOPO MAP
400336479	DEVIATED DRILLING PLAN
400336481	WELLBORE DIAGRAM
400336482	WELLBORE DIAGRAM
400336485	DIRECTIONAL DATA
400336486	DRILLING PLAN

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Per oper. corrected dist. to prop. line. State Land Board approved location. No LGD or public comments. Final Review--passed.	11/26/2012 11:04:09 AM
Engineer	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 000 FEET DEEP.	11/1/2012 4:17:30 PM
Permit	operator clarified question nos. 20-22 in operator comments. This form passed completeness.	10/29/2012 5:37:40 PM
Permit	Return to draft: 1. question no. 22 conflicts with questions 20/21.	10/26/2012 10:15:55 PM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)