

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:

400335354

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 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: North Castor Gulch Well Number: 6-168. Unit Name (if appl): Williams Fork Unit Number: COC74956X9. Proposed Total Measured Depth: 10289

WELL LOCATION INFORMATION

10. QtrQtr: TR66 Sec: 16 Twp: 5N Rng: 91W Meridian: 6Latitude: 40.392492 Longitude: -107.605289Footage at Surface: 1183 feet FNL/FSL 898 feet FEL/FWL FEL11. Field Name: Wildcat Field Number: 9999912. Ground Elevation: 6987 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 08/09/2012 PDOP Reading: 1.5 Instrument Operator's Name: G.McElroy15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**Footage at Top of Prod Zone: FNL/FSL 1226 FNL 1850 FEL 40 FSL 975 FWL 40
Sec: 16 Twp: 5N Rng: 91W Sec: 16 Twp: 5N Rng: 91W16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 3801 ft18. Distance to nearest property line: 998 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 338 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 #: CO8473.522. 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 descriptions. Distance to the nearest Unit boundary is 2100'.

25. Distance to Nearest Mineral Lease Line: 40 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	30	20		0	90		90	0
SURF	13+1/2	10+3/4	40.5	0	1,250	667	1,250	0
1ST	7+7/8	5+1/2	17	0	10,289	78	5,196	4,396

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 will be run from surface to 5196', with cement from 4396' to 5196'. Production hole will be drilled at 6 3/4". A 5 1/2" production liner will be installed from 4996' to 10,289', uncemented. A 9pt drilling plan is attached outlining this procedure. Item #25. Distance to the nearest Unit boundary is 2100'.

34. Location ID: 428533

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: 11/29/2012

API NUMBER

05 081 07772 00

Permit Number: _____ Expiration Date: 11/28/2014

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

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400335354	FORM 2 SUBMITTED
400335438	MINERAL LEASE MAP
400335441	LEGAL/LEASE DESCRIPTION
400335444	WELL LOCATION PLAT
400335448	TOPO MAP
400336437	DEVIATED DRILLING PLAN
400336438	WELLBORE DIAGRAM
400336439	WELLBORE DIAGRAM
400336440	DRILLING PLAN
400340513	DIRECTIONAL DATA

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No LGD or public comments. Final Review--passed.	11/29/2012 7:06:46 AM
Permit	Corrected dist. to min. lease to 40' (dist. @ BHL). Corrected lease acres. Corrected dist. to unit boundary (at top PZ). SLB approved location.	11/9/2012 2:13:03 PM
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 4:42:46 PM
Permit	operator attached directional drilling template and can now be imported; directional drilling excel spreadsheet is attached and opens. This form passed completeness.	10/29/2012 5:31:55 PM
Permit	Return to draft: 1. directional drilling template does not import/attach, 2. directional drilling excel spreadsheet will not open.	10/26/2012 11:23:03 PM

Total: 5 comment(s)

BMP

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

Total: 0 comment(s)