

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:

400315681

Date Received:

12/07/2012

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: Iles Mountain Well Number: 1-368. Unit Name (if appl): Williams Fork Unit Number: COC74956X9. Proposed Total Measured Depth: 5248

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 36 Twp: 5N Rng: 92W Meridian: 6Latitude: 40.339450 Longitude: -107.666264

Footage at Surface: 2336 feet FNL/FSL 2146 feet FEL/FWL FEL

11. Field Name: Wildcat Field Number: 9999912. Ground Elevation: 6536 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 03/02/2011 PDOP Reading: 1.1 Instrument Operator's Name: Andy Floyd15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 2410 FSL 2004 FEL 1754 FNL 19 FEL 1754
 Bottom Hole: FNL/FSL 1754 FNL 19 FEL 1754
 Sec: 36 Twp: 5N Rng: 92W Sec: 36 Twp: 5N Rng: 92W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 305 ft18. Distance to nearest property line: 2146 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 6685 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 #: CO8475.522. 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 ☐ 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):

Section 36, T5N, R92W Please see map attached. Distance to nearest unit boundary is 1824'.

25. Distance to Nearest Mineral Lease Line: 19 ft

26. Total Acres in Lease: 649

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	800	439	800	0
1ST	7+7/8	5+1/2	17	0	5,248	0		
S.C. 1.1	7+7/8	5+1/2	17		2,781	47		2,281

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

33. Comments Depending on subsurface conditions a contingency well design is included with 9 7/8" intermediate hole with 7 5/8" intermediate casing from surface to 2781' MD, cemented with 60 sacks of cement from 2781' to 2281'. Uncemented production liner would run from 2581' MD to TD at 5248' MD.

34. Location ID: _____

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: 12/7/2012

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: _____

Director of COGCC

Date: 1/11/2013

API NUMBER

05 081 07775 00

Permit Number: _____

Expiration Date: 1/10/2015

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.

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400315681	FORM 2 SUBMITTED
400328701	DEVIATED DRILLING PLAN
400328705	WELLBORE DIAGRAM
400328730	MINERAL LEASE MAP
400328734	LEGAL/LEASE DESCRIPTION
400328741	ACCESS ROAD MAP
400328743	WELL LOCATION PLAT
400330309	DRILLING PLAN
400330310	PROPOSED BMPs
400355548	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.	1/11/2013 12:38:04 PM
Permit	Checked "Horizontal".	12/20/2012 2:53:57 PM
Engineer	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 504 FEET DEEP.	12/14/2012 11:42:44 AM
Permit	This form passed completeness. Note: location is in RSO, restricted wildlife surface occupancy.	12/8/2012 1:26:05 AM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)